

No 61,065

Namibian talks tour starts

A team of senior officials from the five-nation Western contact group assembled in Lagos yesterday for a crucial tour of Africa to discuss a Namibian independence settlement based on the 1978 Lancaster House talks between the United States and South Africa, which administer the territory. If the tour succeeds in overcoming distrust and suspicion, Namibia could hope for statehood by early 1983. Page 5

Towards cheaper investments

Replacement of interest and capital on long-term loans to industry should be net of corporation tax according to a study group set up to recommend how to generate more cheap investment in industry. Page 11

Tour ruling soon, Gandhi says

Mrs Gandhi, the Indian Prime Minister, is in London after the Cancun conference in Mexico. She said that a decision about England's threatened cricket tour would be taken at a meeting of the Indian Cabinet this week. Page 2



Queen returns from Sri Lanka

The Queen arriving back in London from Sri Lanka last night. Earlier she had seen the modern, developing side of the country when she visited one of the world's largest engineering projects, the harnessing of the Mahaweli river. Page 4

Labour may seek new ministry

The Labour Party's next electoral programme is likely to include the formation of a new economic ministry and the removal of key public expenditure functions from the Treasury, a proposal has been supported by TUC/Labour Party liaison committee members. Page 2

Poles warned off striking

The Polish Government has accused Solidarity of "conducting economic warfare" by sabotaging production and increasing hardships and the danger of a general strike. As the union prepares for Wednesday's strike, the Government said: "No state can tolerate anarchy." Page 4

Party nudges Mitterrand

The French Socialist Party gave a "sharp warning and a formidable push" to the Government at its congress, Mr Lionel Jospin, the party secretary-general, said. The speaker indicated that the party had struck out on a hard-line Marxist revolutionary course. Page 4

Airlines suffer disastrous year

World airlines lost more money last year and this year could be even worse. Net losses for the member airlines of the International Air Transport Association were \$1,100m (about £500m) compared with a net profit of \$1,900m in 1979 and a \$1,900m profit in 1978. Page 5

Sue Barker wins

Sue Barker, of Britain, won the Brighton tennis tournament at Brighton, beating Mima Jausovec, of Yugoslavia, 4-6, 6-1, 6-1. Miss Barker had defeated three Americans, including Tracy Austin, on her way to the final. Page 17

Leader page, 9
Letters: On future of HMS Endeavour, from Sir Edmund Irving and Sir Vivian Fuchs; committal proceedings, from Mr Z. Barak, of Israel; and Wagner, from Dr Joseph Weiler. Leading articles: Middle East; Mexican summit.
Features, pages 7, 8
Spotting the potential traitor, by Leo Abbe; no end to Indochina's suffering; a French Socialist writes on disagreements with the British Labour Party; centenary of the West's most celebrated shoot-out.
Obituary, page 10
Professor W. E. H. Stanner, Mr Edward Garrison

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Thatcher line opposed by most of Cabinet says Gilmore

By George Clark, Political Correspondent

A majority of the Cabinet is now opposed to the Government's medium-term financial strategy (MTFS) and if there is no change of course the Tories face a disastrous defeat at the next general election, Sir Ian Gilmore, the former Lord Privy Seal and one of the Government's leading critics on the Conservative backbenches, said yesterday.

His warning coupled with growing discontent in the backbenches following defeat in the Croydon, North, West, by-election, and a speech by Mr Francis Pym, Leader of the House of Commons, calling for a compromise and agreement rather than "confrontation and disharmony", provided a sombre welcome for Mrs Thatcher, the Prime Minister, as she flew home from Mexico last night.

She will defend the Government's policies when she speaks in the Commons on Wednesday on an Opposition no-confidence motion which refers to the shameful level of unemployment and the staggering blows which the Government has dealt to British industry, offering no hope of recovery.

Sir Ian Gilmore, Mr Geoffrey Rippon, MP for Hexham and a former Cabinet Minister, and other critics hope to be called in the debate to appeal for policy changes to help industry and promote capital projects. Since it is in the nature of a censure motion, no revolt is expected when it comes to the vote, but backbench pressure will be sustained in the new session of Parliament which opens on November 4.

Gestures of loyalty by backbenchers

A group of 14 Tory backbenchers, led by Mr Christopher Murphy (Weymouth and Portland), to counter the criticisms voiced two weeks ago by the so-called Blue Chip group, have tabled an amendment, as a gesture of loyalty, expressing full confidence in the Government's policies; but they also call for a range of further measures before the end of the year to improve the country's economic situation and to lay the basis for future success.

Sir Ian Gilmore saw it differently yesterday, interviewed by Mr Brian Wald on the independent television programme *Weekend World*. He said that Mrs Thatcher would have to take note of the widespread criticism within the party and the views of the electorate, as expressed at Croydon. He did not think it would be necessary for a Tory MP to stand against her for the leadership of the party in order to persuade her to bring in more moderate policies.

"We'd not have a dictator in charge of the Government or of the Conservative Party—you have Cabinet government and a parliamentary party," Sir Ian said. "I have given reasons why I think a majority in the Cabinet are not in favour of Mrs Thatcher's policies. I cannot assess how many backbenchers feel the same, but it is very substantial."

"It is quite impossible for Mrs Thatcher—and I give her credit, don't I think she would want to—ignore that very heavy weight of opinion."

"It is there. She cannot wish it away. She cannot shuffle her Cabinet all the time. It is not for her to get 21 people all of whom agree with her. It is not practicable."

"Therefore she has to pay attention to what I call the emerging consensus and would be committing political suicide if she did not."

"She sees which way the wind is blowing. If the Tory party does not modify its policies we are going to go down to a landslide defeat. She does not want that."

Sir Ian, who thought he probably ought to have resigned from the Cabinet at the time of last year's Budget (he was sacked in the last reshuffle), was asked whether Mrs Thatcher would be justified this year, if ministers challenged the economic strategy of the Budget, in saying: "If you don't like it, you can resign."

Protests grow in CND campaign

From Tony Samstag and David Cross

Hundreds of thousands more anti-nuclear protesters throughout Europe yesterday added their voices to the burgeoning peace movement which has shown its strength in the streets of London and Rome on Saturday.

The anti-nuclear demonstrations proper, Mr Casper, White, began, United States Defence Secretary, said, would be taken seriously, and Mr Douglas Hurd, Minister of State at the Foreign Office, said that every peace-loving person should be encouraged to join the movement.

At the end of the demonstration in Rome, a group of about 100 protesters, some of whom were carrying banners, were brought to the city centre by helicopter and then to the new nuclear power station at the edge of the city.

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Speaking to reporters before flying from London to Washington yesterday, Mr Weinberger said: "Anything that gets 150,000 on the march has to be taken seriously but it doesn't change the policies of the government."

Israeli withdrawal from Sinai agreed

From Moshe Brilliant, Tel Aviv, Oct 25

Arrangements for the final Israeli withdrawal from occupied Sinai were agreed yesterday by Egyptian and Israeli teams headed by General Kamel Hassan Ali, the Egyptian Foreign Minister, and Mr Ariel Sharon, the Israeli Defence Minister.

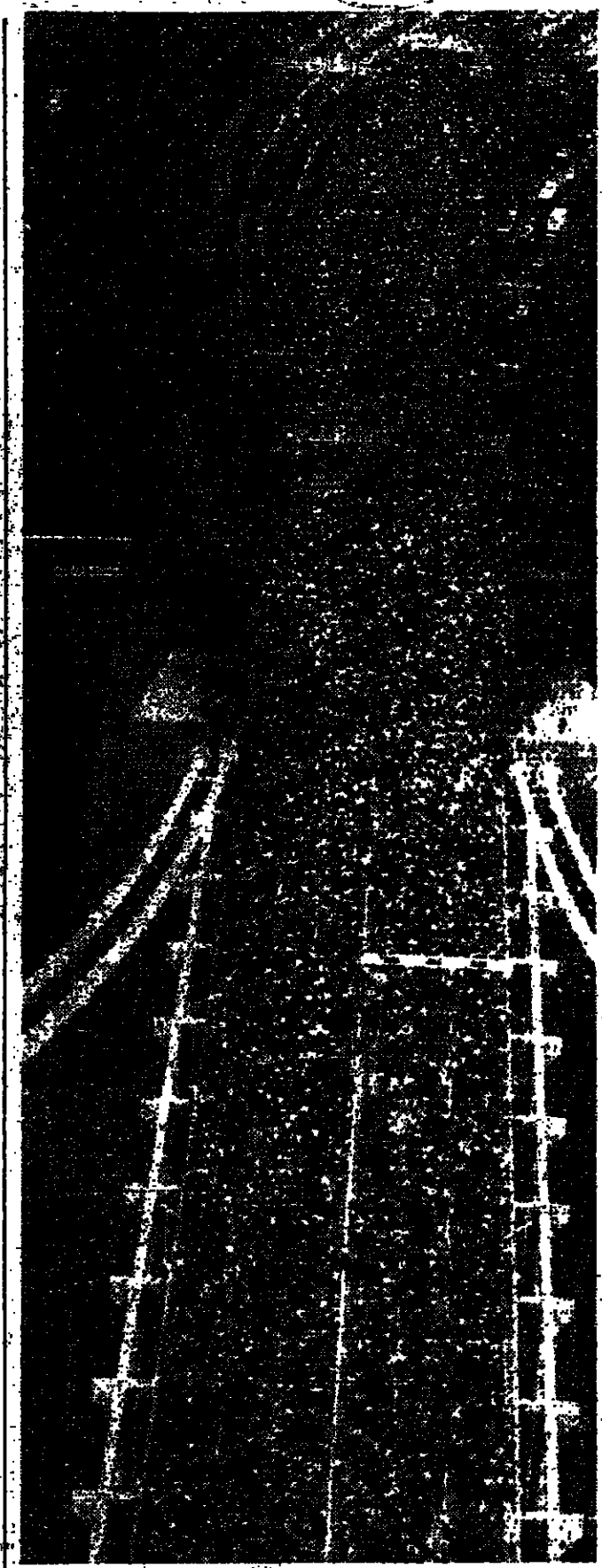
The ministers imposed a news blackout and said they would announce their agreements at a press conference on Tuesday before General Ali returned to Egypt. However, a participant in the talks said that the agreement was to be announced in the Israeli newspaper *Haaretz* after the Israeli withdrawal.

Provisions were discussed to keep the 155-mile coast of the Gulf of Aqaba accessible to tourists from Israel.

The ministers, who heard the committee for the implementation of the peace treaty, will meet again tomorrow afternoon in Jerusalem to discuss matters including flight routes over the peninsula, the destruction of the new frontier and crossing points. Both sides said the talks were going well.

General Ali told an Israeli radio reporter that the implementation of the bilateral peace treaty was going to a very smooth way, a very honest way, and a very normal way.

The abrasive issues between the two countries are certain aspects of normalisation, which the Israelis complained were hesitant, and the Palestine question, which General Ali described today as the most important for stability. These matters will come up tomorrow.



Sixteen thousand of the anti-nuclear demonstrators gathered in New York City yesterday for a demonstration against nuclear weapons. Alison Roe ran faster than any other woman ever in the 2hr 25min 25sec. Report page 17.

Continued on back page, col 7

'Euro-jam' reaches the tea table

By Hugh Clayton

Agricultural Correspondent

Few of the shoppers who find "Extra Jam" in their supermarkets for the first time today will know that it marks the introduction of official Euro-jam to the tea tables of Britain.

Those unfamiliar with the jam and similar products Regulations 1981 will not realize that "Extra Jam" is more than a brand name invented by marketing experts. It is a legal term at the heart of a campaign by the European Commission to harmonize jam laws throughout the Community.

The term has been adopted as a brand name by the Chivers subsidiary of Cadbury Schweppes, and will be brought into British law next year by the jam regulations.

Those regulations have been published and show that jam will be defined either as "jam" with at least 35 per cent weight of fruit, or "extra jam" with 45 per cent fruit content.

Chivers Hartley said that most of its "Extra Jam" would contain home-grown fruit instead of chemically preserved pulp from eastern Europe and Mexico. The new product would cost almost half as much again as the standard jam.

The new rules, which will allow jam to be coloured with beetroot juice, are not the only way in which the ingredients of the traditional British jam are influenced from Brussels. The Butter Information Council, which exists to promote the qualities of butter against those of margarine, is financed mainly by creamery companies in most EEC countries which sell butter in Britain.

But a third of its annual budget of more than £2m is sent to it from the EEC in Brussels. That comes from a tax levied on dairy farmers.

The council's main purpose is to promote consumption of dairy produce in the face of competition from cheaper substitutes like margarine. Butter consumption has fallen steadily in Britain since the tax was first levied in the mid-1970s.

171 dead and 50,000 'at risk' Spain's poisoned oil disaster

From Richard Wigg and Nicholas Timmins, Madrid, Oct 25

In the past five months Spain has been hit by one of the worst public health disasters of modern times, and more than 50,000 people could still conceivably be at risk because they consumed poisoned cooking oil. Since the beginning of May, 171 people have died, including five this weekend, and nearly 16,000 have been treated in hospital.

Door-to-door salesmen illegally sold the oil in vast quantities in areas around Madrid and in towns to the north-west. It contained oil originally intended for industrial use, stained with aniline dye, and a conspiracy by crooked businessmen to refine that into edible oil turned it into a potentially lethal brew.

It has caused a new and mysterious disease for which there appears to be little effective treatment. Whole families have been affected. In some cases, patients have been left virtually unable to move. Many more have suffered loss of muscle strength and wasting.

Many of those who are gradually recovering are still weak and tired. The strange nature of the disease, which has similarities to some of the autoimmune diseases in which the body's defence system turns against itself, has led to fears among some Spanish doctors that the final outcome might be 2,000 to 3,000 deaths and a similar number permanently disabled.

That view is contested strongly both by the doctor who heads the scientific commission investigating the disease and by a group of United States experts brought in to help study it. They say the unique and variable nature of the illness, and the differences it shows to autoimmune conditions, make such estimates impossible and unscientific at the moment.

If theoretical grounds can be found for fearing a bad outcome, parallels can also be drawn with other conditions where many patients slowly recover. The fact that some who have advanced to the second, more damaging stage of the disease are slowly recovering, supports this view.

Besides the price in human suffering, the scandal has done both political and economic damage to Spain with the Government insisting that it cannot be held responsible.

The epidemic started on May 1, when a boy aged 8 from a Madrid dormitory town died. He had been admitted to hospital with fever, and a pneumonia-like illness. Within 10 days, 40 people had been admitted in the Madrid area, and four people had died. By the end of the first fortnight other towns were being affected and more than 600 people were in hospital. An epidemic was clearly underway.

The disease was described as "a typical pneumonia". Legionnaires' disease or infection by a mycoplasma were the favoured causes. Laboratory analysis, however, failed to confirm the theories, although mycoplasmas were found in some victims.

On May 13 the authorities announced that mycoplasma could not be the cause. May doctors remained dubious, however, and continued to search for the cause.

Continued on back page, col 1

Book on BOSS attacked by publisher's adviser

By Sandra Hempel

Penguin Books made a serious misjudgment in publishing a "disgraceful" account of the most odious acts that had appalling results," Mr Segal said.

As Penguin's African adviser, Mr Segal says he would normally have expected to have been consulted about the book's proposed publication.

Mr Peter Mayer, Chief Executive of Penguin Books, said he was surprised by the suggestion that the company could not publish a book about South Africa unless it first consulted Mr Segal.

For a long time Penguin has published books on topical issues. Some of these over the years might have been thought to be sensational at the time and later were found to have made a contribution," he said.

Ballot box secrets, page 7
Psychology of treachery, page 7

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MP seeks ombudsman to investigate police

By Frances Gibb

A new independent police complaints procedure under which a police ombudsman would carry out investigations with his own staff is proposed in a private member's Bill to be introduced in the Commons tomorrow.

Mr. Alfred Dubs, Labour MP for Battersea South who will bring the Police Complaints Bill under the 10-minute rule, said yesterday: "There has been increasing concern by the public about police misbehaviour or wrongdoing and there is a feeling that unless such allegations are properly investigated there is less confidence in our police force."

The publication of the Bill, aimed at tackling defects in the present system, coincides with consideration by Lord Scarman of ways of reforming the police complaints procedures as he completes his report on the Brixton riots.

Among defects highlighted by Mr Dubs are that complaints against the police are investigated by the police and that the Police Complaints Board, the independent watchdog of the procedure,

only has the task of considering the police reports of their own investigations.

Mr Dubs said: "In fewer than one per cent of all cases in 1980 did the Police Complaints Board ask the police for further information. For the rest the board accepted police recommendations."

Another defect was that when a complaint involves an allegation of a possible criminal offence by the police, the papers are sent to the Director of Public Prosecutions by the police. If the DPP decided through lack of evidence not to prosecute, disciplinary proceedings were normally ruled out.

"So the attempt to avoid double jeopardy ends up in no jeopardy," Mr Dubs said. He proposes a police ombudsman, with his own investigating staff who would look at all complaints. A preliminary investigation would weed out trivial or ill-founded complaints and the ombudsman would, at the same time decide, where appropriate, on conciliation procedure rather than a full investigation.

Rules on complaints alleging a possible criminal

offence would be reformed so that disciplinary proceedings are not ruled out when criminal proceedings are not taken.

A Home Office working party under Lord Balsted is looking at the police complaints system.

In a submission to it published today, the National Council for Civil Liberties calls for reforms as a matter of urgency. It is particularly concerned about the way police officers are shielded from disciplinary proceedings if the DPP decides not to proceed with a prosecution.

Such prosecutions are rare anyway, it says because the DPP takes into account the actual or supposed reluctance of juries to convict a police officer. "As a result, prosecutions against officers are rarely mounted."

An example is the death of Blair Peach, the NCCL says. There was insufficient evidence to proceed against any of the six officers present but neither had any disciplinary proceedings been instituted. The council urges that officers should not be exempt from such proceedings.

BMA fights on for data watchdog

By Frances Gibb

The Government is facing increasing pressure from the medical profession to set up an independent watchdog to protect citizens against the misuse of personal data stored on computers.

Dr John Dawson, under secretary of the British Medical Association's ethical and scientific division, has written to Mr William Whitelaw, the Home Secretary, inviting the Home Office to cooperate with the medical profession in "achieving a satisfactory solution to the problem of setting up a data protection authority."

He reminded Mr Whitelaw of the pledge made by Mr Timothy Raison, Minister of State at the Home Office, that the Government would be publishing a White Paper on its plans for legislating on data protection and says that he hopes the subject will be mentioned in the Queen's Speech on November 4.

"Data protection continues to be a matter of concern to the medical profession in view of the responsibility regarding information about our patients," Dr Dawson said.

Doctors disagreed with Mr Raison at a conference on the subject organized by the British Medical Association in September over the Government's refusal to set up a data protection authority.

Mr Raison told the conference that although the Government was not against all the suggestions of the committee, it did not believe such a body was needed for data protection.

Instead the Government is proposing that the Home Office, one of the chief users of computer information, be responsible for the enforcement of data protection laws.

That proposal was attacked not only by the doctors but by Sir Norman Lindsay, whose government-appointed committee on the matter reported in 1978. He said the Home Office could not wear two hats.

In his letter, Dr Dawson cited the resolution which emerged from the conference and has now been endorsed by the council of the BMA, which deplores the refusal of the Government to set up an independent body.



Helping to sort the letters out. The Dyslexia Institute feels it is just touching the tip of the iceberg.

Private school for dyslexics to open

A campaign to expand the provision for assessing and teaching the estimated 500,000 school children who suffer from dyslexia, or word blindness, is being launched today, the first day of what has been declared Dyslexia Week (Anabel Ferriman writes).

Simultaneously, though quite by chance, contracts are about to be exchanged on premises for a new privately financed assessment centre and day school for 70 dyslexic children in central London.

The school, which follows closely the model of several private ones in the United States, aims to provide the full range of school subjects, including games and craftwork, for two to three years before sending the children back into ordinary schools.

The principal is to be Mrs Daphne Hamilton Fairley, a speech therapist and the widow of Professor Gordon Hamilton Fairley, the cancer expert who was killed by an IRA bomb in 1975.

About 1,500 children a year are assessed at present by the Dyslexia Institute, a voluntary organization, which is running Dyslexia Week to raise funds. An average of 70 per cent of those assessed are found to be suffering from the disorder.

The institute has 33 branches throughout the country and provides special classes for 600-700 children and adults a year. It says that this only touches the tip of the iceberg and is keen to expand because it feels local authority remedial teaching is inadequate.

Scepticism about the disorder and a belief that it is simply an excuse invented by middle-class parents to explain why their child is not doing well at school is dismissed as completely false by Dr Harry Chasty, director of studies, at the institute.

He points out that children with dyslexia perform quite differently on intelligence tests. Two characteristics mark the disorder. One is a weak auditory

short term memory. Dyslexics often cannot remember the proper labels for objects. Show a door knob, for example, they will call it the thing that opens the door. The other, and most important characteristic, is that they have no strong sense of left and right.

That results in them reversing letters and sometimes whole words, and going backwards instead of forwards in sentences and can cause serious difficulties. Parents become distraught that their otherwise normal or bright child suddenly develops problems at school.

A 36 hour phone-in for people wanting advice is starting this morning and will last until tomorrow at 5pm. The telephone numbers are: Staines (81) 59498; Bath (0225) 20554; Harrogate (0423) 522111; Lincoln (0522) 39267; Newcastle-upon-Tyne (0632) 818381; Sheffield (0742) 22022; Sutton Coldfield (021354) 6855; and Wiltshire (0625) 530158.

Read the menu, please, page 7

Government firm over BBC cuts

By Kenneth Gosling

The Government is expected to stand firm today, apart from making a few concessions, in the Commons debate on the BBC's external services in which Labour will be calling for reconsideration of the decision to stop seven of the language services — French and Spanish, Italian, Portuguese for Brazil, Italian, Maltese, Burmese and Somali — and to withdraw the subsidy to the transcription services saving a total of £3m.

Observers were pointing out yesterday that Mr Nicholas Ridley, now Financial Secretary to the Treasury but previously the Minister of State for Foreign and Commonwealth Affairs, involved in drawing up the original cuts, is speaking in the debate, a sign that the Government has set itself against a softening of the cuts on anything like the lines suggested in some reports yesterday.

More than 80 Conservative backbenchers signed an early day motion condemning the cuts, but the Conservative amendment to today's Labour motion merely welcomes the Government's decision to maintain essential services.

The Government has made it clear that it wants to spend money on increasing audiences to Britain's overseas broadcast by improving quality, and means to pay for this by taking out 7 of the 38 language services.

A motion in the Lords expressing dissatisfaction with the cuts was carried against the Government in July by 82 votes to 45.

When Radio West — the real, not the fictional station of the television series *Shoestring* — goes on the air shortly before 6am tomorrow in Wiltshire, Bristol, it will be the 33rd in the independent radio chain and the last to open this year.

It will also mark roughly the halfway point in the independent local radio programme; there are another 36 stations to come and all are expected to be broadcasting by the mid-80s. The BBC has 22 stations on the air with plans for a further 16 by mid decade, but for them much will depend on the level of the new licence fee.

Regular meetings between Mr William Whitelaw, the Home Secretary, and broadcast executives, and an annual debate on broadcasting would help towards a more balanced presentation of violence on television, Mrs Mary Whitehouse, president of the National Viewers' and Listeners' Association, told the association's first Northern convention in Manchester on Saturday.

Spies and the British connexion

Saga of Elli, the KGB BOSS agents told of mole 'planted' in MI5 ballot box secrets

By Peter Hennessy

Mr Igor Gouzenko, the Soviet cipher clerk who defected to the West in 1945, disclosed in an interview with *The Times* last week the full story of how he discovered the existence of "Elli", the British mole planted by the Russians in the Security Service, MI5.

Transcripts of Mr Gouzenko's interrogation by the Canadian authorities in 1946, just released in Ottawa, have rekindled the controversy surrounding the late Sir Roger Hollis, Director-General of MI5 from 1956 to 65. Suspicions that Sir Roger was Elli were raised earlier this year by Mr Chapman Pincher, the author and journalist, but the Prime Minister cleared Sir Roger within days of the publication of Mr Pincher's book, *Their Trade is Treachery*.

Mr Gouzenko said that in late 1942 in the cipher room of the military intelligence headquarters in Moscow, Lieutenant Lev Lubimov, the clerk sitting next to him who was an old friend from before the war, surreptitiously passed him a six or seven-line telegram from London which he had just decoded.

The gist of the message, he said, was that Elli's controller in Britain had made contact with him using a dummy (hiding place for messages in a crack in a tombstone).

"It was in the telegram that he was in MI5. It was unusual, the fact that he was in MI5, so he pushed it over to me," Mr Gouzenko said. Lubimov told Mr Gouzenko that Elli had "something Russian in his background".

The information preyed on Mr Gouzenko's mind so that on September 5, 1945, when he sought sanctuary with the Canadian authorities, he asked his wife Svetlana to memorize the Elli story and tell the Royal Canadian Mounted Police if he was seized by the Russians.

After the defection, an MI5 officer travelled to Canada to interview Mr Gouzenko. Mr Pincher claimed he was Sir Roger and that he had falsified the Gouzenko testimony.

Last week Mr Gouzenko was unable to confirm that the MI5 interrogator was Sir Roger, but was adamant that the report submitted by the officer, which he was shown in 1972, was a travesty of what he had said.

The British officer who conducted the interview was introduced as "a gentleman from England" by the policeman present during their brief conversation. He said that I had questioned him in more detail about Elli than the MI5 man had in 1946.

"I told him what I tell you about Elli. We were standing. We didn't even sit down. It was very short. He just listened. He didn't write one



Unmasking a mole: Mr Igor Gouzenko, the former Soviet cipher clerk.

word. Maybe he asked me one or two questions. I am sure he didn't ask me 'Did Lubimov say it, or was it in the telegram'?"

In 1952, Mr Gouzenko, who has long maintained that his leads were not followed up, brought a memorandum for British intelligence in the wake of the defection of the British diplomats Guy Burgess and Donald Maclean. It expressed his regret that it had been MI5 itself and not another independent organization that had investigated the Elli evidence.

In 1972-73, another MI5 officer who used the name Stewart interviewed Mr and Mrs Gouzenko about Elli on two occasions in Canada. Mr Gouzenko added it was clear from what Mr Stewart said that some kind of investigation was under way in London.

Mr Gouzenko was amazed to read the report Mr Stewart brought back. It was clearly designed to undermine his credibility. He responded to it with the Russian proverb: "This is the nightmare of an old grey mare. Nonsense."

Mr Gouzenko said: "This man [Stewart] said, 'I am glad you said so'."

At lunch, I sat next to Stewart and I said, 'It looks like somebody threw a stone in a pool 27 years ago and now, by rings in the pond, they want to find out who.' He said, 'It does look that way'. Whoever it was did a good job of covering up."

Mr Gouzenko has lived in hiding in Canada for 36 years and still fears KGB retribution. He has never been photographed without a hood over his head.

By David Nicholson-Lord

The secrecy of the ballot box has been breached by British intelligence officers seeking to identify Communist voters in parliamentary elections was alleged yesterday. The information has supposedly been fed to foreign intelligence services for use in surveillance and monitoring.

According to Mr Gordon Winter, who admits to having been a South African spy and "disinformation" specialist, among the recipients of the British information were his own former employers, the South African Bureau for State Security (BOSS).

The claim is made in a book to be published later this week. Mr Winter, himself describes the claim as astonishing but insists that it is true and based on a conversation with General H. J. van den Bergh, head of BOSS, in 1968, not long after Mr Winter began his career as an "information gatherer" in London.

As a self-confessed former smear expert, he says he is reconciled to being labelled a Walter Mitty character by the British and African authorities but is determined to prove the truth of his charges.

He told *The Times* yesterday: "Not only do I stand by what General van den Bergh told me (about Communist voters), I know it is true. I saw some of the computer print-outs bearing the names and addresses in Britain of Communist voters."

"The authorities will say the ballot boxes are sealed and locked away in a vault. But there is a key to that door and somebody has got it." Although the correlation of voting slips and electoral rolls is acknowledged to be technically possible, given the access, one local authority source consulted by *The Times* described it as an "unbelievably arduous task" to sift through the slips in the ballot boxes. "It would be an extremely tedious and difficult job even if anyone wanted to do it."

It would be simplified, however, by virtue of the slips being bundled up in groups of 50, with the candidate's name and sorting colour at the top.

Shortly after an election, the sealed boxes are dispatched to buildings belonging to the Lord Chancellor's department in west London where they are stored for a year before being destroyed. According to the Home Office, the seal can only be broken by an order from the House of Commons or the Privy Council.

Those sceptical of Mr Winter's claim include Mr Alexander Lyon, Labour MP for York and a former Home Office minister, who also served on the Younger committee on privacy. Mr Lyon

said yesterday he would need "15 corroborative witnesses" before he believed it.

Mr Winter says that General van den Bergh told him that the names of all people alleged to be Communist voters in general elections were passed on to South Africa and other anti-Communist nations. That aid was regarded as invaluable, according to Mr Winter, because it enabled British general elections were passed on to South Africa and other anti-Communist nations.

That aid was regarded as invaluable, according to Mr Winter, because it enabled British general elections were passed on to South Africa and other anti-Communist nations.

Among other bizarre claims in the book are that BOSS employed sorters in London to intercept "Communist and Liberal letters" to know left-wing and anti-apartheid organizations, and that Mr Ross McWhirter, joint author of the Guinness *Book of Records* who was killed by the IRA in 1975, was a senior British intelligence operative.

Mr Winter claims his BOSS "handler" in London told him that the charges against Mr Peter Hain of stealing from Barclays Bank in Fumey, south London, was a "beautiful job, brilliantly carried out" by BOSS because of Mr Hain's campaign against South African sporting tours.

Mr Winter says his change of heart after working for BOSS for 16 years came after his black maid's daughter was beaten up by security police in 1978. He now lives in Co Sligo, in the Irish Republic, with his family.

Mr Winter also contends that 10 of the main allegations in his book, leaked mainly to South African newspapers to prove his credibility in advance of publication, have already been shown to be absolutely correct and truthful. His campaign to vindicate his allegations is also backed by the copious tapes and notes, including 80,000 photographic negatives.

His offer to place them before the Security Commission's review of intelligence ordered by the Prime Minister in March, in return for immunity from prosecution in Britain, has so far not been taken up.

How KGB tried to stop Shostakovich

The story of the last frantic attempt by a KGB agent to prevent the Russian conductor, Maxim Shostakovich, and his son, Dmitri, from defecting to the west last April was told in *The Sunday Times* yesterday. (John Young writes.)

The agent, the director and another member of the orchestra allegedly tried to persuade Shostakovich to change his mind by appealing to his patriotism and accusing him of greed and letting down his colleagues.

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Cancun summit ends in mood of disappointment

From Nicholas Ashford and Melvyn Westlake
Cancun, Mexico, Oct 25

The two-day summit on international cooperation and development ended here this week-end with claims that it had been a success but with all the main questions that plague relations between rich and poor countries unresolved.

It was unanimously agreed by the leaders of the eight industrialized nations of the North and the 14 developing countries of the South that the tone of the summit had been constructive and positive.

Summarizing the discussions, President Lopez Portillo of Mexico, host and co-chairman, said in future people would talk about "the spirit of Cancun—a spirit of harmony and conciliation".

On his return to Washington, President Reagan described the meeting as extremely constructive and positive. The summit had dealt with "hard issues and yet succeeded in finding many areas of shared priorities and common ground".

There was widespread disappointment that the United States resisted all pressure to budge significantly from the tough position adopted by President Reagan in his opening of the market place special in Philadelphia ten days ago, in which he said trade, free enterprise and private investment would help poor countries more than increased aid.

This position made it difficult to generate the political impulse at Cancun for "global negotiations" through which the Third World wants a total recasting of world trade and finance.

Three hours of intensive discussions during the final session failed to produce more than the most minimal progress on this issue. The global negotiations are regarded by Third World countries as the only way of closing the gap between rich and poor countries, and broad agreement to push ahead with



World leaders in the Mexican sun. Back: Mr Kraigher, Yugoslavia; Dr Nyerere, Tanzania; Mrs Thatcher, UK; Mr Suzuki, Japan; Mr Burnham, Guyana; M Mitterrand, France; Mrs Gandhi, India; Mr Shagari, Nigeria; Mr Fildin, Sweden; Dr Campins, Venezuela; Dr Waldheim, Austria; Mr Reagan, USA; Mr Ake, Ivory Coast; Mr Sattar, Bangladesh; Colonel Chadi, Algeria; Herr Genscher, West Germany; Mr Trudeau, Canada; Señor Lopez Portillo, Mexico; Prince Fahd, Saudi Arabia; Dr Pahr, Austria; Senhor Guerreiro, Brazil; Mr Zhao Zi-yang, China; Mr Marcos, Philippines.

Warsaw warning to Solidarity on anarchy

From Dossa Trevisan, Warsaw, Oct 25

The Polish Government has served yet another severe warning on Solidarity, the free trade union organisation, as Solidarity prepare for a token general strike on Wednesday. General Wojciech Jaruzelski, the Prime Minister, has decided to involve the army more directly than ever before in the Polish crisis.

In a statement which was in fact a reply to Solidarity's decision to hold a one-hour general strike in protest over what it regards as growing harassment of trade unionists as well as the continuing inability of the authorities to improve food supplies, the Government said: "No state can tolerate anarchy and civic disobedience".

It accused Solidarity of conducting economic warfare and sabotaging production thereby increasing both the hardships the population faces in the coming winter and the danger of total economic breakdown.

General Jaruzelski last week announced that special regional operational detachments commanded by professional soldiers and consisting of national servicemen, would intervene in local conflicts, assist the population and help ease shortages during the winter.

They would be entrusted with keeping law and order and, the Government decree emphasized, would protect citizens and the state.

Although this implies that force will be used if necessary the Army is more likely to act as a kind of peacekeeping force between the authorities, especially regional and local ones who are inept.

With the Central Committee due to be reconvened probably on Tuesday and General Jaruzelski expected to give parliament a report on the state of

Shades of the past in shadow of the present

From Robert Fisk
El Alamein, Oct 25

The flags outside El Alamein's dusty old museum flew at half mast today. But, as the sky, young Egyptian officer quietly explained, they did not fly in honour of those who died under Montgomery or Rommel.

"It is because of Mr Sadat's death", he said, and smiled apologetically as though such events were somehow unmentionable on one of the world's great battlefields.

Just down the road in the Commonwealth war cemetery, the ambassadors and their wives stood to attention as Egyptian builders sounded the last post. The wreaths piled up on the sandstone altar, poppies from not only Britain, France and Belgium, New Zealand, Australia and Canada, but from Pakistan, Zambia, Sri Lanka, Tanzania—countries whose names would have been familiar to the 7,000 men who now lie in the rows of graves on the desert floor.

The independent nations of the post-war world have adopted the dead of Alamein, posthumously transmuting their dead citizenship into the present. It was a peculiarly international affair, and yet across the cemetery there was a darker shadow than the ferocious battle fought here 39 years ago.

When the Very Rev Derek Eaton, the provost of All Saints' Anglican Cathedral in Cairo, spoke of steadfastness in the hour of death, more than one diplomat thought of the gunfire that raked the reviewing stand at Nasser City less than three weeks ago.

That more recent and substantial ghost seemed to haunt the Alamein Museum where a room was devoted not to the Allied victory of 1942, but to the Egyptian crossing of the Suez Canal in 1973.

On one wall hung photographs of Anwar Sadat in military uniform, and several depicted him reviewing his troops after the 1973 war. A very parade ground where he met his death this month.

One extraordinary, chilling picture coincidentally showed a Soviet-built army lorry towing a Korean gun past the reviewing stand, as if in this cramped desert museum there had lain some ghastly clue to the events that unfolded on October 5 this year.

In the tomb-like memorial chapel that the Italians built for their Alamein dead on a ridge to the west, there seemed to be some special anxiety on the faces of the ambassadors.

Mr Alfred Atherton, the United States Ambassador in Cairo, stood deep in thought beneath the half-staff flags. The Italian perhaps such events place history in a strange, less lofty perspective. A new dual carriageway is being built through Alamein, and even now you can travel across the battlefield in less than three minutes.

The veterans are growing fewer. There was an elderly Frenchman here today who recalled the great artillery barrage with which Montgomery opened his battle. But Rommel died long ago, by his own hand in 1944.

Montgomery died in 1976, and earlier this month, an Egyptian nationalist who spied on Rommel before the Alamein battle died too: Anwar Sadat.

Intense speculation before vote President lobbies hard to save Awacs deal

From Nicholas Ashford, Washington, Oct 25

President Reagan begins an intensive final round of lobbying tomorrow in an attempt to save his \$3,500m (4,620m) package to sell Awacs radar aircraft and other defence equipment to Saudi Arabia from Congressional veto.

On the eve of one of the most far-reaching foreign policy votes by the Senate in recent years, White House officials said the President's lobbying efforts would continue until 5 pm on Wednesday when the Senate is due to vote on the controversial deal. The officials said Mr Reagan would be seeing 18 senators in individual meetings before the vote, eight of them tomorrow.

On his return from the Cancun summit in Mexico last night, the President issued a statement showing that he was going all out to win approval for the deal. He said he had no intention of withdrawing the proposal for the sale and repeated that he was "cautious but optimistic" that it would go through. He argued that the deal constituted the "greatest security" for both America and Israel and that it would lead to a more stable Middle East.

Exactly how many of the 100 senators intend to vote for or against the sale is the subject of intense speculation and guessing by the Administration, various lobbies at work on Capitol Hill and the media.

Senator Howard Baker, the Senate Majority Leader, said in an interview on the CBS "Face the Nation" programme today that at least 50 senators would support the President—enough to ensure victory.

He said he had telephoned the President in Cancun to tell him the Senate battle could be won and to forecast that some

Mitterrand given a push by his party

From Charles Hargrove
Valence, France, Oct 25

Judging by the number of inflammatory speeches both by party leaders and the rank and file at the three-day congress which ended here Sunday, the French Socialist Party seems to have struck out on a hard line Marxist revolutionary course.

"The congress has given a sharp warning and a formidable push to the Government", Mitterrand, the First Secretary, declared in his closing address. "The party must be the guardian of the Socialist programme, and fight for it in the country at large".

There was no mistaking the mood of the vast majority of delegates. The name of Mrs Margaret Thatcher was heavily booed. Mr Boris Ponomarev, the Secretary of the Central Committee of the Soviet Communist Party, was greeted with unseemly catcalls.

The delegation of Paoak, the Greek Socialist Party, was treated to an impromptu ranting of the "Internationale" and the representatives of Latin American revolutionary movements were wildly cheered.

These spontaneous demonstrations of the feelings of the Socialist grassroots were clear.

The revival in congress speeches of the terminology of the class war, the diatribes against the opposition press, the call to arms against the "economic counter-revolution", the denunciation of the "manoeuvres" of bankers and businessmen against nationalization, and the attack on the "Pau Quiles, the Number Three man in the party, that 'heads must fall' among the unreformed senior civil servants—all pointed the same way.

There were certainly fanned at the Congress by the obstacles encountered by the nationalization Bill in Parliament, by the affair of the Swiss subsidiary of the Renault bank, and by the nationalization which was referred to over and over again in speeches, and gathering economic storm clouds.

Several speakers insisted that last summer the Socialist Party had won political power but it had still to win economic power. To do so, in their view, the Government must strike harder and faster than it had done so far. "Soon their congresses will be more left than ours," a Communist journalist remarked only half in jest.

Verbal excesses are usual at party congresses. The militants derive from them a feeling of togetherness and strength and an urge to let off steam indiscriminately. Even the ministers felt they had more of a chance to express their minds. But the radical mood of this one was rather exceptional.

M. Pierre Mauroy, the Prime Minister, took a distinctly relaxed view of the congress. When asked on his arrival at Valence on Friday evening whether he would call for the head of this technocrat or that prefect in his speech to the congress the next day, he just laughed. "I am a Government speaker," he said. "I am not a party speaker."

But he, and a couple of other Government speakers, did heed the radical urge of their audience. They played up to it to some extent, by talking oil over the troubled waters.

It was an impressive exercise in the use of the brake and the accelerator to consolidate party unity and bring it into line behind the Government, by canalizing the fears and frustrations of the rank and file.

M. Mauroy branded certain bankers with the name of the emigré of Kolobz. But he added: "I do not mean all of them, and in almost the same breath he emphasized: 'Change requires time to be understood and accepted. Our action must remain progressive, methodical and prudent.' His government was not just a Socialist Government. It was responsible for France to the whole French People. And he would do nothing 'to undermine our national community'."

He roundly condemned neutralism and unilateralism. The balance of forces is the condition of a durable peace, dialogue and cooperation the method.

The congress showed that President Mitterrand, through his men in the party leadership, has the party well in hand. The old rivalries between party factions are stilled. The only resolution before the congress was adopted unanimously with only four abstentions. And M. Michel Rocard, Mitterrand's challenger for the party nomination last year, will be re-admitted to the secretariat later this week.

Queen sees modern side of nostalgic Sri Lanka

From Trevor Fishlock, Colombo, Oct 25

About the time that the Queen and the Duke of Edinburgh left Sri Lanka today the pianist on the verandah at my hotel began to tinkle melodies from the 1930s, 1940s and 1950s. It was one of the changing aspects of Sri Lanka that makes the island so attractive for those with a taste for nostalgia.

In some ways little has changed since the Queen was last here in 1954, when crooners and palm courts called the tunes, and piped music and teenagers had not been invented.

Many of the shops are unaltered since colonial times. The supermarket is to be found still but postcards of the Queen that were left unsold after her visit 27 years ago, on the wireless announcers have a comforting Home Service intonation.

Although there are Japanese cars here there are still large numbers of 30-year-old or 40-year-old Hillmans, Rileys, Vauxhalls, Standards, Austins and Fords. The Morris Minor, perhaps the last great British popular car, soldiers on in some strength.

But there is also a modern and developing Sri Lanka. The

Queen sees modern side of nostalgic Sri Lanka

Queen yesterday saw work on one of the world's largest engineering projects, the harnessing of the Mahaweli river in the Central Highlands. This system of dams, reservoirs, tunnels and canals is the keystone of the island's development. It will provide hydro-electric power and the means by which vast tracts of land can be irrigated and populated.

Britain is building and financing a £100m dam, Sweden, Canada and West Germany are also contributing sections of the project. The entire Mahaweli scheme, which takes up where the original canal and reservoir builders of Ceylon left off 2,000 years ago, should be finished by 1986.

Modern Sri Lanka also has modern political and communal difficulties. Having said farewell to the Queen, President Jayawardene has to return to his task of finding ways of ending the suspicion and tension between the Sinhalese majority and the Tamil minority.

These problems, which led to rioting and at least 12 murders this summer, lie in the economic, social and educational "re-ordering" of Sri Lanka's society.

IN BRIEF

Socialist leader keeps his post

Madrid.—The Spanish Socialist Workers' Party re-elected Señor Felipe Gonzalez as secretary-general and kept most of his team in their party leadership posts at the end of their twenty-ninth congress here.

This endorsement of the secretary-general is typical of the harmony at the congress—which was boycotted by the party's left wing.

Friendly pandas

Peking.—China's giant pandas are becoming less fearful of people the official Xinhua news agency said. They often stroll into farmyards, where they are fed and cared for.

Iran death toll

Tehran.—The number of executions carried out in Iran—2,070 since June 20, according to press statistics—is "not high" Ayatollah Musavi Ardebili, president of the Supreme Court, said. He hinted that the number of executions was in proportion to the amount of crime committed.

Pope praises work

Rome.—The Pope returned to the subject of his recent encyclical on labour, linking work with the strength of the family, when he spoke to pilgrims in St Peter's square. "The family finds its sustenance for its development... it is an element of cohesion and stability", he said.

Gangsters gather

Tokyo.—State police said that 1,310 gangsters from across Japan converged on Kobe to attend memorial services for Kazuo Taoka, the godfather of the country's largest underworld gang. He died from a heart condition.



'Guernica' unveiled in Spanish home

From Harry Debelius, Madrid, Oct 25

The queue (above) stretched for nearly three blocks here throughout today, as the painting which Pablo Picasso dedicated to the Spanish people, "Guernica" went on display for the first time in Spain, on the 100th anniversary of the Malaga-born artist's birth.

The big black and white canvas was exhibited in an annex of the Prado museum, encased in bullet-proof glass and guarded by members of the paramilitary Civil Guard armed with sub-machine guns, a sign that the political intolerance that led to the war the work recalls is still latent, nearly six years after the death of General Franco, who led the uprising which started it.

There were differences too about the site chosen for the permanent display of the painting, originally done for an exhibit in Paris shortly after the historic rest of dive-bombing techniques by units of Adolf Hitler's Luftwaffe under the orders of Franco, which resulted in considerable destruction and became a symbol of the horrors of war.

Residents of the town of Guernica, in the Basque country, insisted in Madrid this weekend that the work should be hung in the town which inspired it.

Spanish authorities spent the weekend offering a number of previews for intellectuals, journalists and special visitors. Among those allowed to see the painting in its final setting beforehand were Señora Dolores Ibárruri, the "La Pasionaria" of civil war days and now president of the Spanish Communist Party, and the artist's daughter, Paloma Picasso.

Ceremonies and celebrations also took place in Guernica, Malaga and Barcelona, the city in which the young Picasso worked before his long exile in France.

Spanish authorities have never said how much it cost to overcome the "moral rights" of his family and bring the painting to Spain 44 years after it was created, during most of which time it was exhibited at the Museum of Modern Art in New York.

MUSLIM ARRESTS IN CAIRO

Cairo, Oct 25.—Egypt has arrested more than 350 members of an underground Muslim organisation which plotted a coup after President Sadat's assassination, security sources said yesterday.

They said further arrests were imminent as police continued raiding hideouts of the organisation.

President Hosni Mubarak, interviewed by the semi-official newspaper *Al-Ahram*, gave the most detailed account yet of what he described as "a bloody terrorist plot to impose a Khomineh-style revolution in Egypt".

He said the organisation had been training its followers in sabotage and planned to blow up police stations and other installations during a national referendum on October 13, one week after Mr Sadat's murder.

It aimed to liquidate political, military and religious leaders and take over key installations, including the defence ministry, telecommunications department and television centre.

Mugabe tour impresses opponents

From Stephen Taylor, Bulawayo, Oct 25

Mr Robert Mugabe's tour of Matabeland reached a climax yesterday at a rally in Bulawayo's Barbourfields Stadium which in spite of unseasonal chill and steady rain attracted a crowd that would not have disgraced Mr Joshua Nkomo, the region's political leader.

The Prime Minister's visit to an area which is historically antagonistic to his tribal power base has been more successful than many observers were predicting. Even when he was not warmly received, his rallies were well attended.

The purpose of the tour can be taken as being the most important link in Mr Mugabe's drive to create a consensus for the introduction of a one party state.

Mr Mugabe summarized his attitude after yesterday's rally at Matabeland. A town east of Bulawayo, which is the traditional meeting place of the Matabeland chiefs: "The policy of reconciliation never means the perpetuation of the

multi-party system. We believe in the one-party system and we are not selling it to the people."

He has made it plain over the past few days that he believes that if he can bring about a merger between his Zanu (PF) party and Mr Nkomo's patriotic front, he will have a mandate to introduce a one-party system.

Mr Nkomo has been cool towards the concept, although he has said it is a desirable long-term objective. There can be no doubt that the vast majority of his supporters would be totally against unification of the parties.

Nobody believes that Mr Mugabe's tour has made any significant difference to that consensus, but the Prime Minister indicated that he would be patient in further efforts to convince the Ndebele tribe that it would not be subjugated by a one party government.

"Together we fought for Zimbabwe, together we brought independence. If you don't want things to change, we will continue as we are," Mr Mugabe told one crowd.

But the question that does arise is why Zanu (PF)—with a clear majority of seats in Parliament—is pushing the one-party line so relentlessly? The answer appears to be that the party believes that it faces its most serious challenge not from the Ndebele minority, but from the Shona majority which put it into power.

In recent months Shona-based parties such as Bishop Abel Muzorewa's United African National Council—have experienced something of a revival after dismal performances in the independence elections.

That has angered Zanu (PF), which has accused the opposition parties of exploiting circumstances which they would be no better able to deal with.

On last night, Mr Mugabe left opposition leaders in no doubt about his place in his scheme of things. Having already threatened to detain Muzorewa, the Prime Minister said he had proof that they were involved in "underground activities".

Zia announces formation of new parliament

From Hasan Akhtar, Islamabad, October 25

President Zia ul-Haq of Pakistan announced last night he would nominate a federal council next month to act as a parliament and frame a new constitution for the country.

All the members of the proposed council, he said, would be his nominees drawn from various walks of life. General Zia, speaking to journalists in Lahore, said he could have decided the new political system but he believed it would be more reliable if it came from the proposed council.

The members would be people who were well versed in Islam. He did not give the size of the proposed council but in the past he suggested it could have up to 350 members.

The President has already appointed provincial councils. But the proposed federal council has been delayed because he said he was keen to nominate the "right people from all sections".

Right-wing politicians have been clamouring for the revival of political activity after four years of martial law. They say this is necessary because of the

international situation, particularly the Afghan crisis, and the internal political void which they say has provided opportunities for terrorist movements in the past two years.

The proposed council may be aimed to placate the politicians, but there is a feeling in political quarters that the aim is also to meet objections raised in the West against the present regime.

Pakistan is negotiating a military and economic deal with the United States and further assistance is expected from some other Western countries, including West Germany and Britain.

General Zia will almost certainly permit at best only limited political activity and see to it that his Islamization programme is not upset.

At the same time, the Sindh High Court had directed three children of Zulfikar Ali Bhutto, the executed former prime minister, to appear on November 3 before the court's additional registrar in a Government case claiming more than 4.6m rupees (£253,000) from his estate.

His two widows have similarly been summoned.

Airlines fear for their future after disastrous year

From Michael Bailey, Transport Correspondent

World airlines lost more money last year than ever before, and this year could be even worse. That is the gloomy picture for 111 airlines gathered here for the thirty seventh annual meeting of the International Air Transport Association (Iata) this week.

Net losses for member airlines who provide three-quarters of free world scheduled flights were \$1,100m (about £560m) compared with a record \$1,400m in 1978.

Three factors are blamed for these disastrous results which could sink Britain's Laker and America's Pan American, to name but two, before long. They are:

Fuel prices, which make up about a third of airline costs and rose 40 per cent in the year.

Recession, which kept traffic stagnant at 356,000 million passenger/kilometre while

capacity rose with many new wide-bodied aircraft; as a result load fell more than 2 per cent to 61 per cent compared with the 67 per cent needed to cover costs.

Government policies advocating a free-for-all among airlines rather than a regulated market.

These effects are particularly evident on the Atlantic, where scheduled airlines have suffered a "severe financial hemorrhage", says Iata's annual report.

"Almost every airline operating on the route has accumulated enormous losses", Iata says, and "there is a consensus between the governments that such a situation cannot be tolerated and that at least an intermediate compromise is necessary".

What the report does not say is that governments, such as those of Britain and the United States, are still dedi-

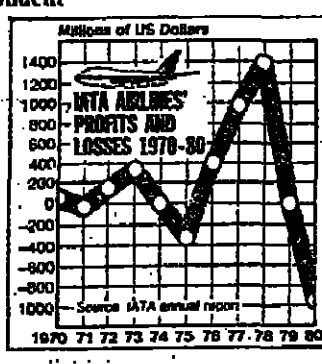
cated to market forces rather than compromise.

Iata's attempt to alleviate the Atlantic problem, with a 5 per cent fare rise in the autumn, has since been torpedoed by Pan Am's decision to match Laker's low fares, a move since emulated by British Airways and other airlines.

Many operators believe that these fares are suicidal and will lead to the death of some well-known airlines within months unless remedial action is taken.

Iata's view is that sensible regulation is the answer to the problem. Mr Knut Hammarjöld, the director-general, claims that world public opinion is on Iata's side.

"Given a choice of an uncoordinated free-for-all between airlines, a total reliance on naked market forces, or an integrated worldwide network of air services based on airline and government cooperation, the



Last year was "the worst year ever for the airline industry in economic terms and 1981 looks like being as bad if not worse", Mr Hammarjöld says. "The only solution for improvement in 1982 is to bring down break-even requirements by reducing costs and increasing yields".

Meanwhile, he declares, the extremes of undisciplined market forces on the one hand and chauvinistic protectionism on the other are equally unacceptable. "Somewhere between them lies a pragmatic, forward-looking median course, a middle way with which governments, regulatory bodies, airlines and consumers can live."

"Given aviation's essential role in underpinning world commerce and tourism we have to trust there is today enough statesmanship and mature judgment for this industry to remove itself from the present precipice."

Moi sends top OAU official to Chad

From Charles Harrison, Nairobi, Oct 25

President Daniel Arap Moi of Kenya, chairman of the Organization of African Unity who had been asked by France urgently to dispatch a peace-keeping force to Chad, has sent Mr Edem Kodjo, the OAU secretary-general, to assess the situation there.

Preparations for the force have been in progress since the OAU summit here in July, when President Goukouni Quédou of Chad agreed that the Libyan troops in his country should withdraw once an African force was available to ensure stability.

Several Africa states — believed to include Nigeria, Senegal and Ivory Coast — have agreed to provide troops for the force, but many questions, including finance, have still to be decided.

President Moi said that he would arrange for a force to move into Chad without delay, once the OAU was able to assemble one with sufficient strength to ensure the maintenance of peace and order.

These moves were in progress before President François Mitterrand's appeal was received on Friday.

Mr Kodjo is also being sent to Algeria, Morocco and Mauritania for consultations on the Western Sahara. The OAU has proposed a ceasefire and a referendum in the disputed former Spanish colony, but little progress has been made.

Renewed fighting has taken place between Moroccan forces and the Algerian-backed Polisario movement, and Morocco has accused Mauritania of harbouring the Polisario groups responsible for recent attacks.

President Moi says the OAU committee on the Western Sahara composed of the presidents of Kenya, Tanzania, Sudan, Nigeria, Algeria, Guinea and Mali — will meet next month when Mr Kodjo has completed his consultations with the three states directly involved.

Namibia contact group begins independence mission in Africa

From Michael Hornsby, Johannesburg, Oct 25

Senior officials from the United States, Britain, France, Canada and West Germany assembled in Lagos today at the start of a tour of African countries aimed at paving the way for the independence of Namibia.

If their talks are successful in overcoming the distrust and suspicion that exists on all sides, the former German colony and its one million ethnically diverse inhabitants could reasonably hope to attain sovereign statehood by early 1983.

Namibia has been administered by South Africa since the end of the First World War. In 1966, the United Nations terminated South Africa's mandate, and in 1971 its continued occupation was ruled illegal by the International Court of Justice.

The five Western powers, known as the "contact group", have been searching since 1977 for an indepen-

dence settlement acceptable to South Africa on the one hand and the world community and black Africa on the other, but success has eluded them.

It seemed within their grasp at the international conference on Namibia in Geneva in January this year, but negotiations broke down, mainly in the view of most observers, because of South African intransigence.

The present initiative grew out of talks between Dr Chester Crocker, the United States Assistant Secretary of State for African Affairs, and senior South African officials in Zurich last month on new American suggestions for meeting Pretoria's earlier objections to the settlement terms.

The South African response was sufficiently encouraging to persuade the Western five to make another attempt at mediation. During their

whistle stop tour, which took them through 10 countries in as many days, the 15-man team led by Dr Crocker will be talking to four distinct negotiating partners.

The two most important are the South African Government and the so-called "frontline" black African countries, Angola, Zimbabwe, Zambia, Tanzania, Mozambique, Kenya and Nigeria (which has observer status in this group).

The balancing act which Dr Crocker and his colleagues must perform is to sustain South African willingness to go along with the new approach. While answering strong black African criticism that the proposals tilt too much in Pretoria's favour.

The Western negotiators will also be talking to leaders of the South-West African People's Organization (SWAPO), the exiled black guerrilla movement which has been fighting a bush war

US envoy 'flees' Libyan plot

From Our Own Correspondent, Washington, Oct 25

The United States Ambassador to Italy has been hastily flown back to Washington because of a "security threat". According to a front page report in *The New York Times*, the ambassador's abrupt departure last week was ordered after the Italian authorities had discovered a Libyan plot to assassinate him.

Mr Maxwell Rabb, the ambassador, was visiting Milan at the time. So hasty was his flight that he did not have even a change of clothes with him.

According to *The New York Times*, quoting intelligence sources, the assassination of the ambassador had been ordered by Colonel Gaddafi of Libya to avenge the shooting down of two Libyan jets by American fighters over the Gulf of Sirte in August.

Protection sought against Turkey

Greece states terms for Nato loyalty

From Mario Modiano, Athens, Oct 25

The new Socialist Government of Greece is willing to remain in Nato if the alliance or the United States guarantees Greece's eastern frontiers against an attack by Turkey.

This new position was outlined by Mr Andreas Papandreu, the Prime Minister, in an exclusive interview with the American television network ABC, his first since the Government was sworn in.

Mr Papandreu further declared that the military bases would be allowed to stay in Greece, under certain safeguards and conditions, including parity in the United States' military aid to Greece and Turkey.

He made it clear, however, that in any case his Government would not act unilaterally on these issues, nor did he wish to have a confrontation with the United States.

Mr Papandreu said his intention was to pull out of the military arm of Nato since Greece was in the unique position of being threatened by another member of the alliance — Turkey.

He said: "Turkey claims one-half of the Aegean, in the air, in the sea, and the continental shelf, in defiance of all international treaties which define with great precision our frontiers with Turkey".

While there was no visible threat from the north, Turkey had repeatedly violated Greek sovereignty, it had built up with Nato help a 120,000-strong Aegean army, and its leaders (less so, he said, of General Evren, the present head of state) had laid claims on sovereign Greek territory.

Mr Papandreu said that in

view this he intended to ask Nato at one of the next meetings which Greek interest did the alliance serve?

He said: "Of course, what we all, the whole Greek people, would prefer is that there should be a guarantee of our eastern frontiers".

Asked what he expected the Americans to do about it, he said: "It is very simple. The American Government is a key factor in the Atlantic alliance. A simple statement that the frontiers of Greece are guaranteed against any threat from anywhere."

Strangely enough, the Atlantic alliance was not prepared to give this guarantee, he said. So he proposed to negotiate the withdrawal of Greece from the integrated military structure of Nato.

Mr Papandreu said his party was ideologically opposed to the presence of United States military bases in Greece. However the United States was a superpower, so it would be foolish to look for a confrontation.

He named three conditions: first, that the bases would not be used to launch a military attack against a country friendly to Greece.

Secondly, that the intelligence gathered by United States monitoring stations in Greece would not be made accessible to Turkey as this would weaken Greek defences.

Thirdly, "an equal number of arms must be granted as military aid to Greece and Turkey". He did not specify if this meant the restoration of the 10 to seven ratio that the previous Greek Government had sought, or actually a new 50-50 ratio.

Ugandan ex-leader vanishes

By David Cross

Mr Godfrey Binaisa, a former President of Uganda, has gone underground in London, apparently in fear of his life. He arrived in Britain on Saturday after being deported from Nairobi, where he was living in exile.

According to Ugandan exile sources in London, Mr Binaisa was warned privately that he was the target of an assassination plot by a Ugandan squad about three weeks ago.

Mr Binaisa, who was deposed last year by a military commission which ruled Uganda for several months before last December's election, has accused President Milton Obote of manipulating the vote which brought him to power again.

He has also expressed his support for opposition groups trying to overthrow Dr Obote. The exile sources were expecting Mr Binaisa to come to London shortly after the warning but he remained in Nairobi until Friday night when he was visited at his home by a group of Kenyan officials who took him to the airport and put him on the first aircraft to London.

His son, Francis, claimed that a group of some 40 Kenyan officials dragged him from his favourite armchair and that he left with only a few pieces of clothing and the money which he had in his pocket.

On his arrival here he was due to look into a hotel and contact other Ugandan exiles

OLD SKULL BACK

From Our Correspondent, Nairobi, Oct 25

The 20-million-year-old skull of *Proconsul africanus*, a possible relative of man's ancestors, arrived home here today after 32 years in Britain.

Mr Richard Leakey, director of the Kenya National Museum, said the skull, the oldest known relic of its kind, had been well looked after by the Natural History Museum in London, which had retained a cast of it.

Mr Leakey said the skull was found in 1949 by a British geologist, Dr David Pilbeam, and was then given to the Natural History Museum in London.

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Carter drops libel suit

From Nicholas Ashford, Washington, Oct 25

Former President Jimmy Carter has decided not to sue the *Washington Post* for libel over a gossip column item alleging that Blair House, a government residence, had been bugged while Mr Reagan, then President-elect, was staying there prior to Inauguration Day.

Mr Carter said he had decided to drop his suit after he had received a letter of apology and retraction from Mr Donald Graham, the paper's publisher.

The bugging account appeared on October 5. The story said that "word is round" that Mr Carter and his wife had eavesdropped on Mr and Mrs Reagan during their pre-inaugural visits to Blair House.

In a leading article last week, the *Post* said that the eavesdropping "report was utterly impossible to believe" — but it did not apologize for publishing it.

Mr Carter said he had only agreed to drop his action after the paper had agreed to make a formal apology.

Killing attack by Karpov earns him fourth win

Moscow, Oct 25 — Anatoly Karpov, the world chess champion, won the ninth game of his title contest with Viktor Korchnoi, the challenger, last night, giving him a commanding 4-1 lead in the series.

Karpov, from the Soviet Union, played what experts said was a highly skilled game with the black pieces and now needs only two more wins to gain the six victories required to retain his world title. Four other games ended in draws, which do not count in the championship series.

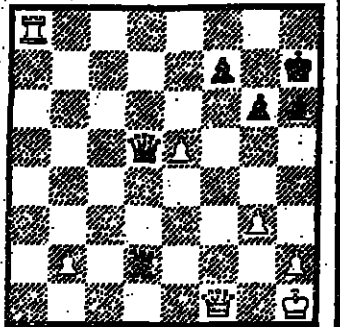
The champion seemed up-lifted by the loud support he got from a group of Soviet journalists and officials who arrived here yesterday. Observers recalled that when Karpov successfully defended his title against Korchnoi in 1978 in Baguio, the Philippines, a similar delegation arrived from the Soviet Union just before Karpov won the fourth game of the series.

Korchnoi, a defector from the Soviet Union, was obliged to weaken his overall position to hold on to one vulnerable pawn. Karpov initiated a series of simple, powerful moves to infiltrate the White defence. Under this killing

attack, Korchnoi resigned after 43 moves.

The next game is scheduled for tomorrow. — Reuters.

White: Korchnoi



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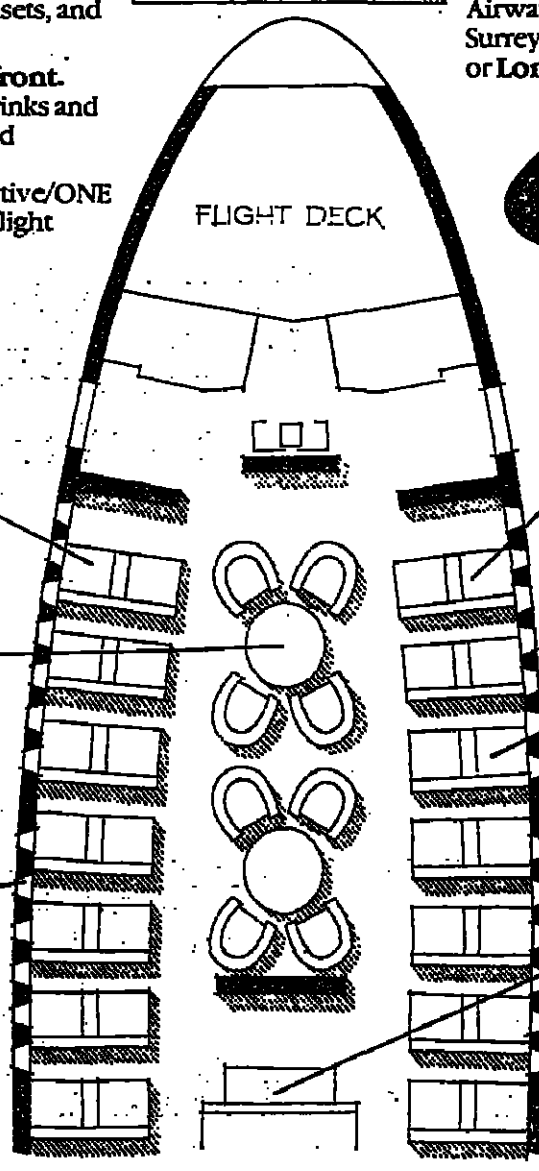
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Television

Lordly lapse

Is Frederic Raphael Byron? His producer thinks he is. "Witty... arrogant... both attracts and repels people... lives in exile". On the evidence of last Friday's *Times* Raphael clearly thinks so too. He has wanted "all his life" to do a film about Byron: "he obsesses me".

How very convenient. A perfect confluence of interests. No matter that Raphael's script takes the poverty-stricken Beeb five times over budget, or that he has written himself into the starring role. Isn't that what Byron himself would have done? Great men must have their way.

This clash of the titans was a painfully uneven match. "Byron" was played by a worried-looking man with tufted green cranium, and whenever, which was often, he got into some scrape or other the real Byron would leer forward and blot him out with a carefully prepared witicism.

Byron — A Personal Tour (BBC 2, made in association with Bavarian Television) represents a major reevaluation of his historical subject.

Raphael's producer now promises us more of the same. *Liszt*, *Beethoven* and *Shelley* are next in line for a gossip column treatment which combines the worst of Ken Russell with the worst of Ingmar Bergman. Who should play them? Well, Freddie Raphael's a versatile chap, and if you look at him in profile...

Meanwhile *The Stanley Baxter Series* (LWT) was doing something really worthwhile with a string of brilliant sketches. Baxter's peculiar gift lies in embroidery on the banal. It is presumably only a matter of time before he gets America's richest comedian in his sights and turns that dull animal into something rich and rare, but Saturday proved that he animal has his uses. After five minutes of routine, finger-licking boredom Johnny Carson's *Tonight Show* (LWT) ushered in a guest comic called Robin Williams, who generated a voltage like that of Alexei Sayle and Kenny Everett combined.

Michael Church

Mr Jeffrey Segal, the actor, was not a member of the audience of a *London Talking* television programme, as Ekan Allan stated in his "Television" of October 17.

Interview

How to play Stalin for laughs

Alexei Sayle is the leading light of a new breed of comedians. For two years he has been the compere of the Comedy Store and the Comic Strip in London's Soho. Now he is about to progress from the status of cult hero to that of popular entertainer. But can television accommodate his style or his language and are the masses ready for post-punk comedy? Bryan Appleyard investigates.

Alexei Sayle eats steadily — an apple here, a sausage there — to maintain the 15-stone bulk which comes in so handy for audience intimidation.

"Anybody who says that stand-up comedy is going to bring about the end of monopoly capitalism is a liar," he observes. "The prime motive is showing off how clever you are. It's just selfish."

At 29 the improbable Sayle is about to harvest the fruits of his own particular brand of dangerously funny selfishness. At least he will once he has sorted out the odd selection of offers which happen to come the way of your average post-punk comic with a nice line in hatred.

On stage he is a taut mass of psychopathic rage and fluent obscenity threatening vandalism and assault on the citizens of Stoke Newington and displaying an unhealthy obsession with the Ford Cortina. Off stage he lives on top of a tower block in Fulham with a wife who finds jobs for chartered accountants and laughs at the pretentious things he says. So now he makes sure she's out when he is being interviewed.

It all began with his parents in Liverpool. Committed Stalinists they took him on NUR trade delegations to Eastern Europe where he became fascinated with the way toothpaste just had toothpaste written on the tube. He also thought they had a nice line in fifties styling.

The dialectic dominated his early years as he drifted first to the left of his fanatical mother into Marxist-Leninist-Maoism and subsequently to the right into Sayleist revisionism.

"My parents had a very snobby kind of socialism. If a film had subtitles it had to be intelligent. We were generally better than everybody else. We ate a lot of salads."

Admittedly, he studied art and design for three years at Chelsea. Then an appearance as Brecht in a fringe theatre play took him into show

business and subsequently in 1979 to The Comedy Store.

At the store he was given the job of compere after answering an advertisement in *Private Eye*.

"It was crowd control really. You never knew whether some lunatic with a machete would leap on to the stage."

It was a suitably hard school and it helped him develop his characteristic line in abuse but anything resembling a coherent show was impossible. So The Comic Strip broke away and established itself in the Boulevard Theatre in Soho.

For a year the Strip developed cult status in the usual way with Sayle again as compere and a selection of increasingly fluent acts of varying degrees of unacceptability as far as the mass media were concerned. This year they have been on tour and have released an album which includes their memorable advice on the solving of the world's racial problems — the use of a pop-up toaster.

The style of this success owes more to the tradition of rock music than to those of comedy and Sayle is quite clear that he personally owes nothing to any known comic tradition.

"I can't think of any comics I like," he muses for a moment, "none at all." A moment later he is talking about the *Nine O'Clock News* eliciting a light scowl.

But now that he is edging towards wider exposure clearly either his language or the frontiers of television light entertainment will have to be shifted. He has done a series for London's Capital Radio called *Alexei Sayle — Community Detective* — and the *Fish People* — which went down sufficiently well to win the "Society of Authors Fye Radio Award".

"Capital were desperately in need of some street or rather intellectual credibility so they entered the show. I don't think there was much competition. The runner-up was Radio 4's *I'm Sorry I Haven't a Clue*."



Alexei Sayle: against the anti-intellectuals

He doesn't seem much keener about the products television has proffered as it slides closer to the Sayle Problem. Next week he travels to Granada to discuss a pilot programme. He is to appear as a KGB interrogator in four out of six episodes of a new London Weekend Series "Whoops, Apocalypse" in the New Year.

He is also to compere OTT a new "adult" version of the Saturday morning children's show *Teatime* being produced by Chris Tarrant for ATV.

Sayle is alarmingly sceptical. "They had some idea about somebody getting the early editions of the Sunday newspapers in London and cracking jokes about the headlines over the phone live on the programme. It took me to point out that the audience on a Saturday night wouldn't have seen the newspapers. I don't think it's the new wave in comedy."

So gloomy he may be but he is still confident that enough people out there want him to give him a good living. He sees the present hectic phase of his career as the prelude to a more relaxed era in which he is an established live

performer with a steady audience and a relatively steady living. Television is an inevitable part of that transition. But he refuses to tone down old material though he is happy to write new — and presumably more acceptable — scripts. Ideally he would simply like to have his offending words bleeped. The effect on one of his most unsettling sketches would be to produce a single prolonged beep except for the occasionally unbleeped word "Cortina."

But what, apart from ego and failing to bring down monopoly capitalism, is it all about? Does he have socio-political targets or is he just cracking jokes for *Time Out* readers?

"I just make them laugh. If cracking jokes for *Time Out* readers makes them laugh more then I'll crack them. Occasionally some left wing view gets into the act but there's no point putting out politics if it doesn't make them laugh."

But he is against the heavily anti-intellectual trend with which he finds himself being associated.

If he has a single target it is

the people who find it necessary to have ideas in packaged sets. In his performance this is the way he piles on his abuse in streams of associative images. Thus knit-your-own yoghurt types are also seen as likely to grow their own denim.

But the key to the Comic Strip and Sayle style as a whole is its close affinity with rock music in the immediacy of its assault on the audience's sensibilities and its stylistic use of fashion as a language and subject matter. But the first impression of working class rage transformed by a high degree of literacy is misleading. Sayle and his colleagues are the standard "creative" types who emerged from the art and drama schools in the sixties to form groups and have done so again to become comics.

For now their appeal looks like being narrower than the previous comedy waves but it certainly looks like persisting. For the uninitiated, Sayle can be sampled on BBC 2 next month when he presents an *Arena* programme on his favourite car — the Ford Cortina.

Concerts

Invisible voices

LCS/Rattle

Festival Hall

From the range of choral repertory available, the London Choral Society's choice for their concert on Saturday night, given in association with Capital Radio, was curiously limited in the nature of the vocal participation.

Rachmaninov's *The Bells* and Ravel's *Daphnis and Chloe* were first performed within less than 18 months of each other, in 1913 and 1912 respectively, and the presence of voices in both of them is that of a necessary or desirable element in the texture rather than as protagonists.

This is surely apparent even in Rachmaninov, for which the double translation of Edgar Allan Poe's poem, first into Russian and then back into an English singing version to fit the Russian text rhythms, fetches up compromise with both. Besides, the composer himself told us that the poetry was but the starting point in evoking the bells he had so often heard and tried "to set down their lovely tones that seemed to express the varying shades of human experience."

Simon Rattle's conducting turned the silver sleigh-bells of the cheerful opening movement into the musical equivalent of a tinselled Christmas card. Philip Langridge's buoyant tenor was succeeded by Elise Ross, whose soprano acquired an unduly metallic tinge for the "mellow wedding bells", and by her choir in full-throated balance with the Philharmonic Orchestra for the urgent alarm bells. Willard White's splendid bass imparted an appropriate sense of gloom and destiny to the mournful funeral bells of the finale.

The conductor generated a sense of poetry and pictorial detail as well as rhythmic spirit in *Daphnis and Chloe*, but when the musical instruction specifically for the voices to be placed "dramatic in Scene", it is more than a little perverse to have them in centre view and up on their feet as well. They are hardly a replacement for dancers, and the over-enthusiastic self-contained Ravel's score seems, its intention was for dance performance in its complete form, an intention only otherwise partially fulfilled, especially in its first two scenes.

The solo competition dances for Dorkon and Daphnis, for

instance, are passages when the music is specifically accompaniment, as the sad little dance for Chloe, frightened and vulnerable in her captivity among the pirates.

YMSO/Blair

St John's, Smith's Square

The Young Musicians' Symphony Orchestra's programme on Saturday evening was nothing if not varied. First came the First Fantasia on an In Nomine of John Taverner, and, as usual with Peter Maxwell Davies, "one enjoyed the music's structural ingenuities, lucidly expounded by the conductor, James Blair. This was indeed an accurate and clear performance, and it is probable that these young players feel well attuned to this 16th-century bare sinew and implicit violence are, in fact, sympathetic."

Mahler's *Kindertotenlieder*, however, were much less so for at least one member of the audience. In the guise of a "tune detective" one can tick off the various anticipations of later Mahler works, the hints, for example, of *Symphony No 5* in the first two songs. And the scoring for a relatively small orchestra, is of interest. A lot is in chamber music lines, with prominent writing for individual players.

In truth, the ensemble made a consistently lovely sound, as did the baritone soloist, David Wilson-Johnson, who sang engagingly. Yet so long and unbroken a sequence of slow songs results in a kind of excess, and the initially stormy final movement is something of a relief. As to the cycle as a whole, even one else present seemed to enjoy it hugely, but I felt as if I was drowning in honey.

In the case of *Pictures from an Exhibition*, Ravel's orchestration can seem as much of an imaginative feat as Musorgsky's original piano pieces. This is a very strong impression. "Gnomes" had a properly menacing tension but articulation was not all it might have been in some departments. Again, the "Gnomes" movement could have been lighter, more playful. However, many virtues were scattered across this richly painted canvas, such as the neat saxophone playing in "The Old Castle".

Noel Goodwin

Opera

Ricci Brothers repeat their triumph

Un giorno di regno/Zaide

Wexford Festival

Two years ago Sesto Bruscantini and a young Italian soprano called Lucia Aliberti came together to the Wexford Festival for the first time and found the climate there much to their liking. They gave the kiss of life to an opera most of the world thought beyond recall, *Crispino e la comare* by the Ricci Brothers. Aliberti provided the high notes and Bruscantini, both as producer and performer, the low comedy. The mixture was almost tailor-made to Wexford's requirements: instantly attractive melodies, high good humour on stage and the sense of moral uplift that comes from restoring a moribund work to health and vigour.

Bruscantini and Aliberti are back in town again this festival and they have once more pulled off their resurrection trick. Verdi's *Un giorno di regno* (King for a day and not, as the programme note points out, *A Day of Rain*, however appropriate that may be in this neck of Europe) was Verdi's second

opera and his first comedy. It is not unknown, but it hardly gets wide exposure. Bruscantini and his colleagues have turned it into the biggest all-round success Wexford have had for some years.

Giorno was a bit before the season even opened. The real arbiters of taste here are not those on the festival committee nor the press, home and overseas, who descend on the town, but the preview audiences made up of festival helpers together with their sisters and their cousins and their aunts. They decided that *Giorno* was good and they were right.

Verdi composed much of the work in the style of Rossini's comic operas and Bruscantini states it precisely according to that convention. Felice Romani's book is surprisingly shapeless for a writer of his experience.

Such story as there is concerns Belfiore, who has to impersonate the King of Poland, while the real monarch slips into Warsaw to claim his throne. On the road, Belfiore uses his temporary royal powers to assure two young lovers, Edoardo and Giulietta, marry one another, and he meets an old flame, The Marchese del Poggio,

whom he takes to himself on more than one occasion.

The situation comedy is minimal, but Romani does at least provide a series of pantomime stereotypes for an adroit producer to flesh out. It is an opportunity Sesto Bruscantini seizes with both hands and all 10 fingers, starting with himself as the owner of the castle where Belfiore makes his first stop on that day of kingship. He lines up the whole staff, eyes right, in best operatic reception committee style, for the "monarch's" arrival, who promptly surprises them all by coming in from the left. A simple gag, but a highly effective one which sets the tone for an evening of mistaken identities, falling trousers and indeed the whole assembly kit of farce. Bruscantini has the art of always appearing to be about to go over the top without ever taking the final, fatal leap.

The key dramatic role goes to the Marchese, interpreted by Lucia Aliberti as a chameleon who can change her colours in the course of an aria and cabaret, as indeed she does during "Grave a core". She has become an immensely knowing performer, always appearing to have behind her pretty face a

brain marching two steps in front of everyone else. The younger lovers are pallidly drawn. Ugo Benelli's tenor now has insufficient sheen at the top for Edoardo's florid music, but he remains a sympathetic and polished tenor. Angela Feeeney, an Irish soprano in a mainly Italian cast, fits easily and confidently into a company much more experienced than she is. So too does Donald Maxwell as the impostor king, a baritone with a sure vocal line.

Mozart's *Zaide* by comparison looked very much the poor relation of the festival. It is incomplete 16 numbers exist — and in subject matter is a dry run for the *Wexford*, which was to follow a few years later. On record it works well enough, with delicacies such as *Zaide's* opening aria "Ruhe sanft" and the quietest close to the end; on stage it needs all the help it can get as Salzburg demonstrated in the days when it used to turn up at that festival.

In Wexford, alas, the support is weak. The set comprising two flights of stairs leading up to scaffolding proves nothing but the simple proposition that he who goes up must come down, and vice versa. It is a hideous structure, reasonable enough backstage but not front stage. Timothy Tyrrel, the producer, was also faced with a physically intractable group of singers: a pair of diminutive captive lovers (Neil Mackie, a neat tenor, and Lesley Corbett, who sounded out of voice on the opening night) dwarfed by a fellow prisoner (Ulrik Cold, usually a fine Mozart bass, but again off form) and an equally mighty Sultan (Curtis Rayman).

Adrian Slack now retires as festival director and he leaves with the satisfaction of a thoroughly enterprising selection of operas during his tenure. Nothing could make a better farewell present to the town than next Sunday's final *Un giorno di regno*. After that Miss Elaine Padmore of the BBC takes over.

John Higgins



Edoardo (Ugo Benelli) looks for royal help from Belfiore (Donald Maxwell).

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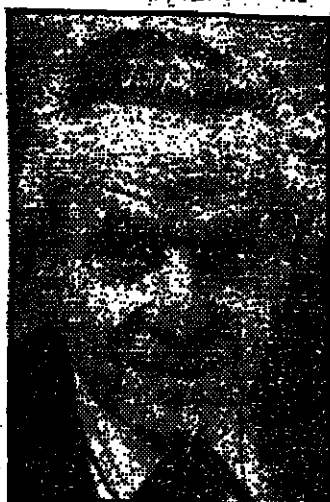
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The psychology of treachery: reasons for undermining authority

How to recognize tomorrow's spy



The Security Commission is currently examining methods for preventing foreign intelligence services from penetrating Whitehall. Leo Abse argues that they should concentrate on spotting the psychological traits which lead to treachery.

The three of us, Will Owen, until recently the Labour MP for Morpeth, myself and the interrogator, sat in the small M15 office. I had started in disbelief as, following the interrogating security officer along the corridor, I had noted, as if in a television film, the 00 prefix to the numbering of each room. I was disappointed that our destined room did not prove to be 007.

Owen's coarse tobacco smoke filled the room: he bit the stem of his pipe and, fumbling with his match, played for time whenever the questioning opened into a dangerous area. Some months before, in May 1970, a generous jury had acquitted him of spying but he was compelled to acknowledge he had received payments from Czechoslovakia and conceded he had supplied them with information, albeit of innocent content. Before the acquittal he resigned his seat, the loss being pleaded in mitigation for his folly. But, rightly, our security services, unlike the jury, were unconvinced. After the trial he wanted him to sing: they began to cajole him.

He complained to me of harassment. I disliked the man. For a small sum he had once offered me the place he had won in the Parliamentary ballot for a Private Member's Bill which I urgently wished to put before the House. I knew he could be bought for a trifle. But his complaint was legitimate: he had not been found guilty by the jury. Reluctantly I made the representation to the appropriate minister. It was made known to me that the security service wanted to interrogate him, and could I persuade him to cooperate? Owen laid down the terms, that he should have future immunity and that to protect his position, I should be present.

A senior security official visited me at the Commons, gave me the immunity, doubtless as Blunt had received his dispensation later, and urged me to undertake the irksome task of holding Owen's hand. I did so, and the subsequent oppressive meetings left me with admiration for the Security Service's stamina, but dismayed by its lack of insights.

By some not dissimilar curious combination of circumstances, over the years, I have encountered other spies or have been compelled to consider their motivations. Perhaps those in charge of our security services are in a difficulty: to consider the reasons why men, as a professional task, choose to betray and simulate would involve painful self-examination. The consequences, however, of failing to screen adequately those eager to be recruited to spy for Britain have been notorious: the list of double agents swells.

Questioning the motive

In March, shaken by further scandal, the Prime Minister announced that the security commission, for the first time in 20 years, would review, among other matters, recruitment practices. Will Lord Diplock and the need of the security service selection board, appointed in 1977, to go beyond assessing the recruits' intelligence, class and education.

Mr Thatcher was unusually placatory when I recently put the question to her in the House. I urged the need to consider making our procedures more sophisticated and attach psychologists and psychiatrists to the board, so that candidates' motivations are explored in depth, and that we face up to the dangers of admitting those whose private heterosexual inclinations bear witness to their incapacity for loyalty, or those whose disturbed homosexuality means they are compulsively disloyal.

The Prime Minister insisted that the terms of reference would enable the Commission to perform just this task: and doubtless she had in mind the explicit direction to the commissioners to consider how to ward off those who, for whatever reasons, may be vulnerable to attempts to undermine their loyalty, and to extort information by pressure or blackmail. But the direction lacks subtlety: the greater dangers lie not in external pressures upon our spies but rather lurk deep in the internal pressures in their own psyches.

George Blake was a man under such pressures: he probably inflicted more dam-

age to our security than any other man this century. The Lord Chief Justice felt compelled to pronounce upon him the longest sentence of imprisonment in 42 years, in recent legal history. Yet the ancient psychiatric screening of Blake by the intelligence service would have saved him from himself and scores of our agents from falling into Russian hands.

His whole early life was punctuated by events calculated to make him, at least unconsciously, yearn for revenge. Britain. His father, Behar, an Egyptian Jew holding a British passport and living in Holland, was an ostentatious British patriot who probably acted as a British intelligence agent in the First World War. In honour of King George V, young Blake was burdened by his name, and like anything else which was to associate him with his determinedly British father, it was to bring him little but misfortune.

His father's death from the effects of German phosgene gas when George was only 13 would not only be interpreted as desertion, as children irrationally interpret a death, it was also to wrench George away during his adolescence from his mother, a Lutheran Protestant, from his sister, from his ambition to be a pilot and from his settled Dutch home.

For Behar had left a flat, submitted to by his wife, that on his death George had to be sent to an uncle in Egypt. It needed no special imagination to relate to the feelings of the young adolescent who found that the consequences of his Egyptian father's love for an orphan exiled in a strange land.

Worse was to follow. When eventually George Blake returned to Holland the tenuous British connection was to precipitate the break-up of the family home, with the Dutch mother compelled to flee to Britain and with the British George Blake arrested by the Gestapo. When the young man finally managed to get away he came to a British where his foreign descent barred him from ever feeling fully accepted.

Certainly holding the right to a British passport was no blessing but a curse to George Blake. With a father who had betrayed George by his choice of nationality, by his unnecessary death, by condemning his son to exile and finally to arrest in Holland and alienation in Britain, it would indeed be astonishing if the son's deep resentment was not to be worked out against his father's first love. Only our Secret Service could have been so accommodating as to provide full facilities for George Blake to commit posthumous parricide.

The syndromes presented by these compulsive spies are wearisomely monotonous and their deceptions could surely be easily divined. When I met the spy Peter Kroger he displayed the predictable character-traits. He had insulated himself from his austere prison surroundings and from his long sentence by play acting a part in a debased Dostoevsky story. It was an easy role for him to assume. He was half educated, with embarrassing literary pretensions and a self-conscious love of books, and, despite the absurd press glorification of this spy, as of every spy, the only identity he was capable of attaining was of a second rate hero in a shabby novelette.

The stilted literary language and the vulgar brummagem of sentiment in which he artificially described to me his predicament trivialized the real tragedy of his position. Yet from the interstices of the droll and over-gentle lines he had assigned to himself, there welled up a great hatred of authority.

He shared, with all the murderers and violent robbers by whom he was surrounded, a hatred and fear of all the parent surrogates, from the Home Secretary to the prison governor, responsible for containing him in the maximum security block. He was clearly at home with these rejected men and, with barely concealed conceit, used his slightly superior smallness to go to them and become a presiding chairman between the rival gangs within the security block.

The game became him. He could empathize with his outcast prison colleagues and at the same time play the father: simultaneously he was betrayer and betrayed, and although the fear of dying in the prison sometimes overwhelmed him, the satisfaction to be obtained from his



George Blake

Parents: Father (inset) an Egyptian Jew living in Holland, striving to be British. Mother a Dutch Lutheran. Childhood: Named after George V. Sent to live with uncle on father's death. Heterosexual, married.



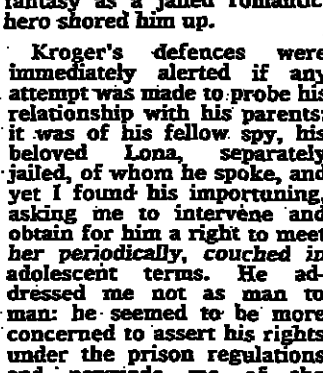
Peter Kroger

Parents: Assertive, antagonistic (mother inset). He disliked them. Childhood: A bad education had left him with absurd literary pretensions. Heterosexual, married but appeared not to miss his wife in prison.



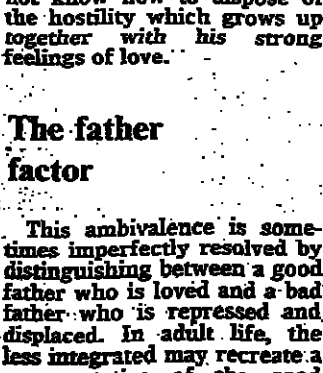
Kim Philby

Parents: Dominant father (inset) an Arabist who overshadowed Philby's mother. Childhood: Born in India. Introverted. Strict upbringing. Three sisters. Westminster. Trinity. Heterosexual, married.



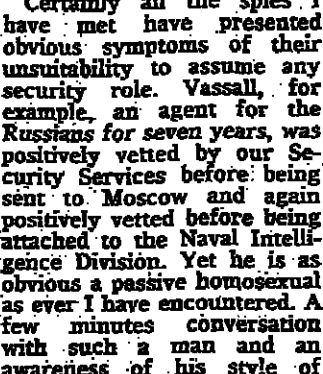
Donald Maclean

Parents: Father was a respectable politician and Liberal leader, Sir Donald Maclean. Childhood: Well educated. Trinity. Heterosexual, married. His wife smoked cigars.



Will Owen

Parents: He hated his miner father and his submissive mother. Childhood: Working class, the eldest of ten children. Heterosexual, married.



Gordon Lonsdale

Parents: Father deserted his mother, who despatched him to a boarding school in the Russian outback. Childhood: Aged 17, was dropped behind German lines to spy in German-occupied Poland. Unmarried.



Guy Burgess

Parents: Father a naval commander. Childhood: Close to his mother. Eton, left Royal Naval College, Dartmouth after ill health. Homosexual.

John Vassall

Parents: Father an Anglican vicar who retired because of his wife's conversion to Roman Catholicism. Childhood: Educated well, but left school at 16. Homosexual.

Anthony Blunt

Parents: His father was vicar of St John's, Paddington. Childhood: Traditional good education at Marlborough, Trinity. Homosexual.

Leo Abse

The author is Labour MP for Pontypool.

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'Read the menu for me, please'

by Susan Hampshire

When asked at the age of eight or nine "Susan, tell everyone how you spell your name," I would stand up, take a deep breath and then with great pride slowly say, "S.H." "No, Susan, your name. Tell everyone how you spell Susan Hampshire".

There would be a long pause while I thought and then I would say, "I told you, S.H." Peals of laughter would ring round the room. I would sit down, still convinced that S.H. was the way to spell my name.

Now I know why I could not spell my name not only at eight or so, but even at the age of 38 or so. For three months I fed the washing machine washing-up powder because I had misread the packet. I have asked for canine pepper in the shop instead of cayenne pepper. And too often when driving, I have turned left instead of right and then turned up half an hour late. Dyslexia has stayed with me.

If it had been diagnosed at five or ten, and if I had had remedial help, from an organization such as the Dyslexia Institute, I would have been reading and writing at school along with the rest, but I did not discover what was wrong until I was 30.

I think that one of the problems with dyslexia is that not only do people not know what it is, but they can't see anything wrong physically either. If I limped into a restaurant, people would immediately know I was lame and maybe help me to chair, but if, when I sit down, I say "I am sorry, could you read the menu for me, I am dyslexic", people would think, dyslexic? — is that a blood disease? Is she blind or is she a complete nitwit?

And I would immediately go down in their estimation because I could not read and they could not see or understand why: this seems to me the wrong balance. It is unfair for dyslexics who may not dare to say they are dyslexic or, even worse, may not even know they are. So why should they be thought blind or a nitwit?

Not a question of intelligence

It is strange that it is all right to be tone-deaf, colour-blind, unmusical or unathletic, and not all right if you can't read. Perhaps it is because 85 per cent of our population can read from an early age and that a dyslexic's inability to read and write with ease is inexorably linked in people's minds with their

intelligence — or rather lack of it.

No one knows that you need help to look up a telephone number, and that you may misread the number three times because dyslexia also affects numeracy; that you can't read an article in a newspaper unless there is complete quiet in the house; and you have plenty of time; that you may forget things you were told only a moment before because the memory seems to evaporate; that you need time to fill out a form in



the post office or count the change in a shop; that you may miswrite cheques, misread numbers, misspell letters and want your husband to read aloud to you the long convoluted epistle from the lawyers; and that as an actor you may need (I do) five to six hours to read or study a script another actor can read or study in an hour.

In fact I need anything from three to ten times as long as the average actor. I usually work in the middle of the night, when the house is quiet and there is no fear of the telephone. Slowly whispering the lines to myself over and over again, absorbing the meaning of the sentence rather than learning the individual words. I never use a tape recorder.

If a dyslexic had bandaged hands any fool would know he could not turn on a tap and nobody would say he was lazy or backward; but "lazy" and "backward" are the words which label most dyslexic children, and if I had had to go through school life in the same way as other dyslexics, I am not sure I would have survived. But I went to my mother's school and was

cushioned by kindness, encouragement and my family. So much of my life I have been protected and buffered from reality by my two sisters Jane and Ann, and my brother John, to all of whom I am eternally grateful.

I never knew what it was like really to be ridiculed at school, and although there were grave doubts about "Susan's brain", and the words "backward" and "retarded" were mentioned behind closed doors at night as I lay awake, not knowing why I could not do my homework as quickly or as easily as other children, I was never shouted at or made to feel second-class.

Thirty years on it still matters

Of course I heard the words "concentrate", "think", "Come on, Susan, try" every day of my school life: they rang through my ears as I struggled with the blank page waiting to be filled on the desk in front of me. Then sometimes I would close my mind to the lesson in hand and dream that if only I was famous, like Elizabeth Taylor, then the dark thought lurking in my mind that I might be retarded could be dispelled for ever. I thought it wouldn't matter I couldn't read if I was famous.

Thirty years have lapsed since my childhood dreams, and 30 years have only proved I was wrong. It does matter. It matters to me.

So I sat down and wrote in longhand a book about being dyslexic for my fellow-dyslexics. Why a had speller should sit down and go through the agonies of writing in longhand 60,000 words is a mystery even to the author, and even more of a mystery that I am currently working on yet another book. As my son says, "Mummy, you must like it. But why? It can't say at school, 'my mother sits at a desk all day and writes' — no one will know who you are. I like it when you are in a play and everyone can see you. Not all this writing, not with your spelling! How can people understand it?"

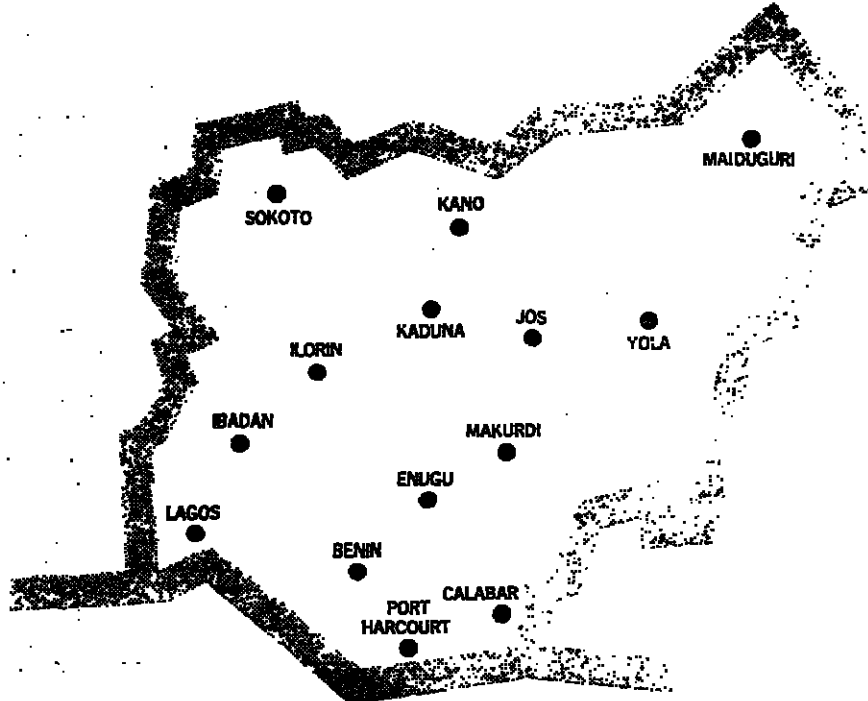
Then I explain that my secretary corrects the spelling as she types it and my editor corrects the grammar when he reads it.

"Well", says Christopher, "if you get other people to do the work, then it's easy".

I smile. Easy?

Susan's Story, an account by Susan Hampshire of her dyslexia, is published by Sidgwick and Jackson today, price £6.95.

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The patient people with no hope of peace

by William Shawcross

At noon in the hot, empty main street of Phnom Penh, an old man wheeled his bicycle up to me and started to talk. He was once a teacher, now he had no work. He had survived the Khmer Rouge terror, was grateful for the Vietnamese invasion but did not want to live under Vietnamese rule. "Je ne veux que la paix, Monsieur, et la liberté". He has not had much of either. Nor is he likely to.

The Vietnamese radio has just revealed a major battle in the Central Highlands of southern Vietnam. The report suggested the enemy was remnants of the old South Vietnamese army defeated by the communists in 1975. It now seems that the Vietnamese armed forces — more than a million strong — are fighting on at least four fronts.

There are 200,000 troops along the Chinese border, where constant skirmishes take place. There are 40,000 in Laos where Hanoi is trying to subjugate the Chinese. Fiercest of all is the fighting in Cambodia (Kampuchea) where another 200,000 Vietnamese troops are tied down by the Khmer Rouge forces of Pol Pot.

The Vietnamese have consistently refused to recognize that their 1979 invasion was as well as a liberation for Cambodians, an illegal act in which other nations, particularly Thailand, had legitimate interest. The invasion has been consistently condemned by a large majority at the United Nations — in the most recent vote, last Wednesday, by 100 to 25, larger than ever.

To "punish" Hanoi, all western aid to Vietnam (even EEC milk powder for children) has been cut off. At the same time China and the West have helped rebuild the Khmer Rouge by shipping arms and weapons to them through Thailand. They now number some 40,000.

It looks like the last round-up for Hollywood's most enduring genre, the Western. For the first time no challenge to a showdown is being made on the back lots; the paste-board cow towns are silent, the stars are wearing space suits instead of chaps and stetsons.

The demise of the Western reflects perhaps our changing values. It promoted in its time the cult of the strong and the self-reliant and the world in which they moved was one governed by moral absolutes. Evil (always in a black hat and wearing a seven o'clock shadow) might have a town in thrall but only until the celluloid cowboy rode in.

He cleaned it up, often single-handed — a simplistic ordering of the dark forces of chaos which appealed particularly to the generations of the Depression and its successor wars. In *High Noon* the genre was even used as an allegory for the moral dilemma faced by America in the McCarthy era.

It is an appropriate moment to be focusing on the Western legend as today is the centenary of its main prop — the gunfight at O.K. Corral.

The gunfight was of the stuff of legend — or was it? It was the climax of a simmering feud, with undertones of skulduggery over shares in stagecoach robbery, and even involved a love triangle. It exploded in the afternoon, fuelled by several hours of hard drinking and bragadochio, and was all over in 30 seconds.

The reverberations were disproportionate: it is not generally known that Wyatt Earp was charged with murder and the resulting court hearing lasted 30 days. Even when some "justification" could be proved, killing was still viewed seriously, and a month-long hearing is a measure of the disquiet over the shootings.

The Earps were acquitted but the alleged injustice of the resulting cycle of revenge killing, in which the youngest Earp was gunned down, kept Arizona in turmoil for a year and provided vicarious thrills for newspaper subscribers as far away as the East Coast.

The Earps — Wyatt, a 33-year-old saloon keeper he described himself as such at

the hearing) and deputy marshal, and his brothers Virgil and Morgan, together with their constant companion, John "Doc" Holliday, a consumptive Georgia dentist and gambler — had drifted into Tombstone two years before.

They were part of the peripatetic, amoral frontier life, as ready to earn a dollar by dealing a crooked hand as by apprehending the sharks who habitually did so.

Virgil was appointed town marshal and Wyatt confirmed as deputy, a role in which he had already made a reputation in the Kansas trail towns, and which he had performed almost bloodlessly. This stereotype of Western marshals was tough and calculating — reflected in the Nordic good looks of his photographs. It was enough to reorientate the affections of Josephine Marcus (not Clementine, as in the film version), a bosomy, pouting brunette who had been the mistress of County Sheriff John Behan. Wyatt, who had

coveted Behan's job, took her instead.

A few months before the O.K. shoot-out the Earps were called in to help trace the killers of the driver and a passenger of the local stage, which had been carrying US mail. The suspects were friends of the Clantons and McLaury's, small-time ranchers and rustlers who had formed an out-of-town business and political "interest", backed by Sheriff Behan.

Their irregularities brought them increasingly into conflict with the town law, represented by the Earps, who also had their own gambling interest to protect.

The feud came to a head with Ike Clanton accusing the Earps and Holliday of "piping away" the money from the robbery and Wyatt's maladroitness to get to "grass" on robbers known to him.

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They are especially unpopular in the south. For their part, the Russians are evidently infuriated by the misuse of much of their economic aid, and by Vietnamese refusal to accept advice. (Similarly the Norwegians were dismayed when a fish freezing plant they had given Vietnam immediately burned to the ground — because the Vietnamese had insisted on doing the wiring themselves.) Moreover, integration of the Vietnamese economy into Communist Vietnam joined in 1978, is proving very difficult. It has led to long delays in agreeing the new five-year plan.

In Vietnam — especially in the south, where nothing has been able to replace the service economy created by

the Americans — there is serious unemployment. Together with political persecution embodied in the system of "re-education", indefinite imprisonment without trial, condemned by Amnesty International — this is still encouraging thousands of Vietnamese to take to boats in search of California.

Other poor Vietnamese, along with canned pineapple, tea and basketware, are going to Eastern Europe. Carrying identical cardboard cases, they line up patiently at Hanoi's old airport to fly off to Prague, Sofia, Moscow, East Berlin. Their contracts are said to be for three to five years; unlike Turks in West Germany, they are allowed to keep only a part of their earnings. The rest goes to the

state. There are said to be 40,000 Vietnamese workers in Eastern Europe right now. Several thousand more, together with Cambodians and Laotians, are on long political or technical training courses.

As well as workers and future cadres, Moscow is receiving in return for its aid increasingly extensive facilities at the old US bases of Da Nang and Cam Ranh Bay. Last week a fleet of nine Soviet warships including a missile carrier called Da Nang. It was led by Admiral Yaskov, commander of the Soviet Far East Fleet, after Russians are said to covet similar facilities at the Cambodian port of Kompong Som on the Gulf of Thailand.

A certain rivalry for influence over the Cambodian regime is developing between the Russians and the Vietnamese. The Cambodians, one can be sure, are exploiting it.

In Hanoi the Communist Party leadership is gearing up for its fifth party congress which is expected, after several delays, to take place later this year. Apart from approving the new five-year plan, the main problem confronting the congress (which has been much delayed) is the question of the succession. Most of the present party and state leaders are well into their seventies, old comrades of Ho Chi Minh who, as the last six years show, are better equipped for war than peace.

One man who seems to be moving into the leadership is 61-year-old Tu Huu, who was appointed Vice-Chairman of the Council of Ministers in

June. It is thought he may succeed Pham Van Dong, the present Chairman, who is now 75. Huu, an official poet, has been in charge of party propaganda. As such he has not earned a reputation for liberalism; indeed, he is thought to be no less dogmatic on foreign or domestic policy than his elders.

In recent years he has been involved with the attempt to collectivize southern agriculture. That attempt has been successfully resisted by the peasants; most of them still farm the land they were given under the rather effective "Land to the Tiller" programme devised by President Thieu and the Americans. But to Huu's experience of the somewhat anarchic south is reported to have increased his distrust of the free market, its effectiveness notwithstanding.

Whoever the leaders are in Hanoi, under them are prepared to make some sort of compromise over Cambodia, there is little prospect that the lives of the people of Indochina will greatly improve. But there is still no sign of that happening.

On the other side, the countries of the Association of South-East Asian Nations have put together a paper coalition of the Khmer Rouge, Son Sann, the leader of the largest non-communist resistance group in Cambodia, and Prince Sihanouk, Cambodia's former ruler, to increase the pressure on Hanoi. But the three groups loathe one another and their alliance is only a facade.

At the same time, some senior officials in Indonesia and Malaysia have been talking of moving towards Vietnam. They argue (as the Americans no longer do but as the Russians did) that Nixon once did) that China is the long-term threat to the area and Vietnam a natural buffer. Unlike China, they do not want Vietnam bled dry.

Even in Thailand there are signs of change. The able former Prime Minister, General Kriangsak, has just returned to Parliament and is seeking to return to office. He is known to believe that Thailand should make some sort of accommodation with Vietnam. But the precise nature of a deal satisfactory to all sides, including Vietnam, China and Thailand and which, moreover, could be imposed upon the bloody Khmer Rouge, is hard to discern.

Nothing will deter us from

putting our own policies into operation, and we do not expect our partners to try to prevent us.

The economic and political convergence of European countries is not an abstract question. If it is a matter of aligning ourselves on the monetarist and deflationary policies which have prevailed up to now, we reject it. If it is a matter of laying the basis of a socialist transformation of our societies through a European social area, we are for it.

We in France often have the impression that our Labour friends tend to consider European problems independently of the evolution of relations between our countries and the USA. For example, it seems to us paradoxical that the recent Labour Party conference should, by a substantial majority, have come out in favour of unilateral nuclear disarmament — which is not at all the position of the French socialists and Gaullists.

French socialists share this concern but do not draw the same conclusions from it. The pressure for unilateral nuclear disarmament in Europe does not affect the United States or the Soviet Union. On the other hand it carries the risk of strengthening the influence of the advocates of the integration of European countries in the strategic system of the United States.

There should be a more frequent and more thorough debate on these issues between delegates from the two sides of the Channel. European cooperation is a good thing whenever it gives us more scope for manoeuvre in our relations with the superpowers. It is merely a screen for multi-national capitalism — in fact mostly transatlantic — when it serves as an alibi for our dependence.

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The face of suffering: refugees from the fighting in Cambodia are escorted to a camp after crossing the border into Thailand

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French lessons that Labour should learn

As French Socialists break up from their first party conference since coming to power the unity between President Mitterrand's right and left-wing supporters stands in contrast to the divisions in the British Labour Party. DIDIER MOTCHANE, a member of the party's executive, argues that both in Britain and in France socialism can be reconciled with EEC membership, Nato and an independent nuclear deterrent.

The future of the Labour Party is of great importance to French socialists. They know that in the long run socialism will not win in France if it retreats elsewhere in Europe, and they have no wish to confine themselves to the Franco-German tête-à-tête set up by Giscard. But they do not count on Mrs Thatcher to broaden it.

At some time or other the France of Francois Mitterrand will need Labour Party successes. But while no one on either side of the Channel doubts this solidarity, there is a different understanding of the political stakes which it involves.

Yet when it comes to explaining the crisis and defining an economic policy capable of making its cause one could probably not find in Europe two political organizations closer to one another than the Labour Party and our own Socialist Party. It is all the more disconcerting — and disturbing — to see the gap between them in the fields of foreign policy and defence.

There again, however, French socialists agree with a number of Labour criticisms of the European Community. They do not think, any more than the British, that by giving a market economy a European dimension one can safeguard the workers' interests, still less promote socialism.

Nor are they any more disposed to accept that the economic liberalism which basically inspires EEC institutions and procedures should obstruct decisions democratically taken in their own country. Mr Narjes, the European commissioner who has just condemned the present nationalizations in France as an intolerable abuse of Community rules, should learn to read the Treaty of Rome more carefully.

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French socialists share this concern but do not draw the same conclusions from it. The pressure for unilateral nuclear disarmament in Europe does not affect the United States or the Soviet Union. On the other hand it carries the risk of strengthening the influence of the advocates of the integration of European countries in the strategic system of the United States.

There should be a more frequent and more thorough debate on these issues between delegates from the two sides of the Channel. European cooperation is a good thing whenever it gives us more scope for manoeuvre in our relations with the superpowers. It is merely a screen for multi-national capitalism — in fact mostly transatlantic — when it serves as an alibi for our dependence.

Nothing will deter us from

putting our own policies into operation, and we do not expect our partners to try to prevent us.

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They don't make gunfights like this any more

It looks like the last round-up for Hollywood's most enduring genre, the Western. For the first time no challenge to a showdown is being made on the back lots; the paste-board cow towns are silent, the stars are wearing space suits instead of chaps and stetsons.

The demise of the Western reflects perhaps our changing values. It promoted in its time the cult of the strong and the self-reliant and the world in which they moved was one governed by moral absolutes. Evil (always in a black hat and wearing a seven o'clock shadow) might have a town in thrall but only until the celluloid cowboy rode in.

He cleaned it up, often single-handed — a simplistic ordering of the dark forces of chaos which appealed particularly to the generations of the Depression and its successor wars. In *High Noon* the genre was even used as an allegory for the moral dilemma faced by America in the McCarthy era.

It is an appropriate moment to be focusing on the Western legend as today is the centenary of its main prop — the gunfight at O.K. Corral.

The gunfight was of the stuff of legend — or was it? It was the climax of a simmering feud, with undertones of skulduggery over shares in stagecoach robbery, and even involved a love triangle. It exploded in the afternoon, fuelled by several hours of hard drinking and bragadochio, and was all over in 30 seconds.

The reverberations were disproportionate: it is not generally known that Wyatt Earp was charged with murder and the resulting court hearing lasted 30 days. Even when some "justification" could be proved, killing was still viewed seriously, and a month-long hearing is a measure of the disquiet over the shootings.

The Earps were acquitted but the alleged injustice of the resulting cycle of revenge killing, in which the youngest Earp was gunned down, kept Arizona in turmoil for a year and provided vicarious thrills for newspaper subscribers as far away as the East Coast.

The Earps — Wyatt, a 33-year-old saloon keeper he described himself as such at

the hearing) and deputy marshal, and his brothers Virgil and Morgan, together with their constant companion, John "Doc" Holliday, a consumptive Georgia dentist and gambler — had drifted into Tombstone two years before.

They were part of the peripatetic, amoral frontier life, as ready to earn a dollar by dealing a crooked hand as by apprehending the sharks who habitually did so.

Virgil was appointed town marshal and Wyatt confirmed as deputy, a role in which he had already made a reputation in the Kansas trail towns, and which he had performed almost bloodlessly. This stereotype of Western marshals was tough and calculating — reflected in the Nordic good looks of his photographs. It was enough to reorientate the affections of Josephine Marcus (not Clementine, as in the film version), a bosomy, pouting brunette who had been the mistress of County Sheriff John Behan. Wyatt, who had

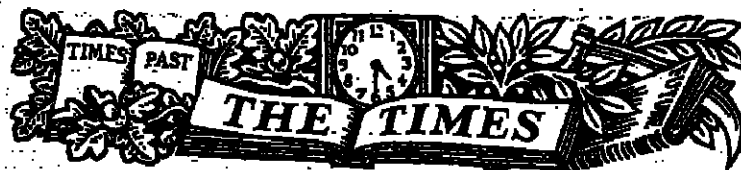
coveted Behan's job, took her instead.

A few months before the O.K. shoot-out the Earps were called in to help trace the killers of the driver and a passenger of the local stage, which had been carrying US mail. The suspects were friends of the Clantons and McLaury's, small-time ranchers and rustlers who had formed an out-of-town business and political "interest", backed by Sheriff Behan.

Their irregularities brought them increasingly into conflict with the town law, represented by the Earps, who also had their own gambling interest to protect.

The feud came to a head with Ike Clanton accusing the Earps and Holliday of "piping away" the money from the robbery and Wyatt's maladroitness to get to "grass" on robbers known to him.

In probably the best known film version of the gunfight, directed by John Sturges in 1957, the dramatic effect was deliberately heightened by the Earps preparing to accept a dawn challenge from Clanton



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NEW FRAMEWORK FOR PEACE

Among the items which the ten foreign ministers of the European Community will have to consider at their meeting in Luxembourg today and tomorrow are the American request that some European countries should provide troops for the proposed peace-keeping force in Sinai and the precise terms of the mission which Lord Carrington, as chairman of the Council of Ministers, will undertake to Saudi Arabia next week.

In the minds of most ministers the mission to Saudi Arabia is likely to seem the more important question of the two. The composition of the Sinai peacekeeping force is merely a detail in a process which has already been agreed — the peace between Egypt and Israel. The mission to Saudi Arabia is a chance to move further forward in a process which is still far from agreed, but to which the Ten hope to be able to make a contribution: the achievement of an overall settlement of the Arab-Israeli conflict.

In theory both these processes are covered by the Camp David accords of September 1978, which fall into two parts, one being entitled "the framework for peace in the Middle East" and the other "a framework for a peace treaty between Israel and Egypt". The latter has been implemented successfully so far, and should be complete next April with the evacuation by Israel of the remaining occupied territory in Sinai. The only hitch is that the United

Nations as such is not prepared to provide the peace-keeping force required by the peace treaty, so the Americans are trying to assemble an *ad hoc* force from friendly countries.

By contrast, the framework for peace in the Middle East, the essence of which was a transitional five-year period of "full autonomy" for the inhabitants of the West Bank and Gaza, pending a final "resolution of the Palestinian problem in all its aspects", remains unimplemented.

Although the talks on Palestinian autonomy were resumed last week in Tel Aviv no one seems any longer to expect that they can produce an agreement, or that if they did, any representative Palestinians could be persuaded to accept it. The need for a new and more hopeful framework for peace in the Middle East is admitted by almost everyone.

The European heads of government, foreseeing this state of affairs, attempted to define the essential principles of such a framework in their Venice statement last year. Another attempt was made this August by Crown Prince Fahd of Saudi Arabia. His eight points have come to be known as "the Fahd peace plan". They are certainly not identical to the Venice statement, but they do not appear to be incompatible with it. Lord Carrington is right to feel that there is ground here worth exploring, especially if Mr Yasser Arafat's view, expressed in Tokyo last week,

that the Fahd plan is "a very important platform for a solution of Middle East peace problems", can be developed into a firm Arab consensus on coexistence between Israel and a Palestinian state.

In the course of, is very far from accepting such a notion, but there are signs that the United States Administration may be moving closer to it (President Reagan's remarks, as reported in *Al-Nahar* yesterday being only the latest), as American policy-makers become more aware of the acute and genuine concern felt about this aspect of their policy by their Saudi allies.

Prince Fahd, like most other Arabs, believes that Israel's attitude would change swiftly once she was no longer assured of "unlimited American support". But American leaders, who deal directly with Israel, know that they would neither have any hope of changing her attitude, nor themselves be able to justify any reduction in American support for her, until the willingness of Palestinians to coexist with Israel in a separate state is made clear and unequivocal.

European leaders know this too, and it is to convincing Prince Fahd (and if possible Mr Arafat) of this that Lord Carrington should devote his main efforts next week. If the Saudis have any objection to European participation in the Sinai peace-keeping force, they should be asked first to convince Europeans that their own peace plan is serious and realistic.

Assuming there is a case to answer

From Mr Z. Harazi

Sir, Your report (October 23) the successful application by the Director of Public Prosecutions for leave to prefer a Bill of Indictment against 15 youths charged with offences connected with the death of Terence May. As you rightly comment in your leading article this gives cause for concern. As the senior partner of a firm instructed by one of the youths charged with murder, a charge which he vigorously denies, I share this concern.

Unfortunately it appears that you have to some extent been misinformed as to the criminal proceedings which have now come to an unsatisfactory end. Your leading article suggests that the defendants chose this form of commitment for trial. That is not so, the prosecution chose it. The prosecution also chose to withhold from the defence the statements, and indeed the very identities, of certain witnesses whose evidence must be supposed to be crucial to their case.

While I may not give an account of what happened in the criminal proceedings, in view of the important principles which you rightly refer to in your leading article, it is right that I should indicate that it was and is the opinion of this firm and of counsel instructed by this firm that submissions should have been made on behalf of our client and he has now been deprived of the opportunity to make those submissions which, if successful, would have resulted in his being discharged.

Since it was the prosecution who chose to proceed in a way that would clearly lead to protracted criminal proceedings, it can only be supposed that the decision to prefer a Bill of Indictment reflects their wish to have the appearance but their unwillingness to abide the reality of justice. Certainly, our client, having waited for an opportunity for the court to consider his discharge from the case, must feel a deep sense of injustice at having so serious a charge hanging over him, for many months to come.

The adage that "justice must be seen to be done" is rendered meaningless by circumventing proper procedures.

I remain, Yours respectfully,
Z. HARAZI,
71/73 Acre Lane,
SW2,
October 23.

Polytechnic admissions

From the Principal, Sheffield City Polytechnic

Sir, A powerful myth seems to be in the making that polytechnics are profiting from the disaffection of the universities and that the birthright of the latter is about to be made off with, although not even for a morsel of postage. May I be permitted to give one or two relevant facts for this polytechnic and to make a general comment.

We are not rubbing our hands with glee over vast numbers of students who are coming to us because they are unable to get into universities. Well before the contents of the July University Grants Committee letter we had offered places to a record number of applicants (16 per cent up on last year and six applicants for each place) not surprising since this is nearly the peak year for 18-year-olds, although one quarter of our entrants are mature students. We shall get no extra money for extra students — only less.

It has always been a part of our responsibility to cater for fluctuating demand in higher education and that we have done with reasonable success, without commensurate resources. Presumably, some universities could have done what we have done and taken in more students within existing (and reducing) resources.

My general comment is thus: compared with what could happen in the next year or so as a result of demographic changes, the 1981-82 position is one of relative stability. It behoves us in higher education to get down to solving some of the problems which face our tertiary institutions. Presumably, some universities could have done what we have done and taken in more students within existing (and reducing) resources.

Yours faithfully,
G. TOLLEY, Principal,
Sheffield City Polytechnic,
Pond Street,
Sheffield,
October 20.

Short lets for students

From Mr David Pinto

Sir, The President of the NUS, Mr Aaronovitch (October 20), is confused. He complains that the private rented market is shrinking and yet he wants rent levels limited artificially. The private rented sector will continue to shrink, thresholds or not, if rents are artificially held down whilst there is no control on the cost of labour and materials for producing and maintaining this much-needed "commodity".

I have never been able to understand why this simple economic fact is not stated unequivocally by all concerned with the privately rented residential sector of the market.

Yours faithfully,
DAVID PINTO,
15 Dover Street,
Piccadilly, W1,
October 20.

LETTERS TO THE EDITOR

Needs of Royal Navy in the icefields

From Rear Admiral Sir Edmund Irving and Sir Vivian Fuchs, FRGS

Sir, It is with dismay that we have learnt that HMS *Endurance*, the Royal Navy's only vessel capable of working in ice, is to be disposed of. Recognising that economies are necessary in all aspects of the nation's activities, it is also true that some economies which appear of minor importance today can have very serious implications for our long-term future. Any reduction of British interest in the present international activity in the Antarctic and the sub-Antarctic is one of these.

The 1961 Treaty, signed by 12 nations, brought political quietude to an area of increasing dispute. Since then the function of the Argentine, Chilean and British naval vessels has been chiefly concerned with assisting scientific studies and conservation, both at sea and on land.

Today the world-wide need for oil and food resources has brought pressure on the treaty powers to examine ways in which commercial exploitation in the Antarctic can be managed with international accord. It is significant that in recent years nine more nations have adhered to the Treaty, making 21 in all. It would be naive to believe that this increasing interest in so seemingly barren an area is due entirely to pure science and conservation.

What are the resources? First fish: the Russian fishing fleet has taken 240,000 tons of fish in one season around the British island of South Georgia alone. Then "krill": that swarming crustacean, the food of the numerous whales, is a huge source of protein. The potential permissible annual take is estimated between 50 and 100 million tons.

Yet the resources which arouse the greatest interest. The most promising areas are within the Antarctic continental shelf in the Ross and the Weddell Seas, the latter lying in the South American sector. Accidental studies of gas have already occurred in the Ross Sea, purposes in the Ross Sea.

Way ahead in Ulster

From Mr David Morrison

Sir, I agree with Dr Harrison (October 19) that the key to ending the IRA campaign to an end is to convince them that the political objective which they seek, the expulsion of Northern Ireland from the United Kingdom, is an act which no government will ever contemplate. That is, the IRA will have good grounds for continuing their campaign in the hope that their political objective will be realised, and unnecessary deaths will continue to occur on both sides of the Irish Sea as a result.

It is up to the Government and the political parties, and the press, in Great Britain to achieve this "political solution". Political developments within Northern Ireland are irrelevant to its achievement since politicians are obviously not in a position to convince the IRA that the province is not going to be expelled from the United Kingdom. That can only be done by the political parties, and the press, in Great Britain.

Political progress in Northern Ireland is also dependent on the actions of the political parties in Great Britain. Northern Ireland is currently excluded from national politics, since the national political parties refuse to organize and contest seats there. (The SDP accepts members from Northern Ireland, but it remains to be seen if they are serious about organizing and contesting seats there.) The inevitable result of this is that political parties are, generally

speaking, based on one of the two communities, and they express and accentuate the fears and grievances of that community against the other: the local political division is thereby exacerbated and it is impossible for the two communities to come together politically on social and economic issues.

If Brixton or Toxteth, or any other area in Great Britain where community divisions exist, were excluded from national politics in the way that Northern Ireland has been excluded, is there any doubt that politics based on the different communities would become the norm there as is the case in Northern Ireland? If national parties withdrew from such an area, local political parties based on the different communities would inevitably emerge and would dominate political life in the area with incalculable harm to community relations.

If the Northern Ireland example was followed to the bitter end, it would then be said that the area must have a devolved system of government with power sharing and, when the contending political parties failed to agree to share power, they would be lectured by the Secretary of State for the area (an outsider, of course, since national parties have withdrawn) on their intransigence and blamed for the increased community tensions and economic deprivation in the area.

Nobody would suggest that such political arrangements would help the community problems of Brixton or Toxteth: so why are they regarded as ideal for Northern Ireland?

Yours sincerely,
DAVID MORRISON,
98 Lansdowne Road,
Belfast 15.

Yours truly,
E. G. G. IRVING,
Camer Green,
Meopham,
Kent.

V. E. FUCHS,
78 Barton Road,
Cambridge,
October 24.

If music be the food of hate

From Dr Joseph H. H. Weiler

Sir, It is clearly wrong as you suggest (leading article, October 22) for a minority to break up performances of Wagner's works when others want to hear them. Equally clearly Mr Mehta and his musicians should have the right in the free society — which Israel is — to determine the musical programme of the Philharmonic Orchestra without official or semi-official censorship.

It is a thin line between banning music and burning books, and yet we lovers of Wagner's music should not forget the important, even if difficult, virtue of refraining from vindictive acts of self-defence motivated by compassion and feeling.

To many of the Jewish survivors living in Israel the exclusion of Wagner's music from public performance has a symbolic importance. Should not the enormity of the Holocaust compel us, on an issue of this kind, to accept the protests of the remaining victims even if these protests are irrational, intolerant and undemocratic?

It will create a different matter once this heroic generation, which has learnt to accept life after going through worse than death, passes away.

Yours etc.,
JOSEPH H. H. WEILER,
European University Institute,
Florence, Italy,
October 23.

Checks on prisons

From Mr David Chance

Sir, Messrs Coggan and Pooley (October 17) say that they know of no major prison where individual members of boards of visitors make unannounced spot checks on the segregated cells. I know of no prison where they do not.

Here at Blundeston Prison it is the weekly practice for a member to visit unannounced, and each occupied cell in the "block" would be a normal part of the visit. At a regional training conference of boards-of-visitors members which I attended recently the importance of visiting unannounced all parts of a prison was stressed by Home Office officials. All the members present confirmed that in their prison this was done.

It is a pity that Mr Blom-Cooper (October 21) makes use of Messrs Coggan and Pooley's letter to find further fault with boards of visitors, but he singles out the new independent association (Ambov) as most welcome development in penal affairs. To be fair he might have declared an interest in Mrs Blom-Cooper's role in the formation of Ambov. Having read the general statement of principles of members of the board of visitors at Blundeston voted unanimously not to join Ambov.

With too many old and dilapidated buildings, and chronic overcrowding everywhere, board-of-visitors members have plenty of problems to face; but those whom I know are sincere in their determination to be independent watchdogs of the penal system.

Yours faithfully,
DAVID CHANCE
(member of the Board of Visitors,
Blundeston Prison,
Suffolk),
Broome House Farm,
Bungay, Suffolk.

A choice of epidemics

From Dr Magnus Pyke

Sir, Annabel Ferriman's article on the front page of *Saturday's Times* (October 17) with its headline about 100,000 heart deaths, aimed to make our flesh creep. Dr Keith Taylor, the newly appointed Director General of the Health Education Council whose words she quoted could justifiably call attention to an "epidemic" of heart disease causing 150,000 deaths a year. This was not so in 1900 when people mainly died from tuberculosis and other infectious diseases.

The TB hospitals are now closed down as a testimonial to the successes of medical science. Yet the overall death rates remain unchanged, as it always will at 100 per cent. Happily, we can expect to die not of infectious diseases but, except for those of us killed on the roads, from heart disease or cancer. What Dr Taylor can usefully educate us to do is to die older.

Yours faithfully,
MAGNUS PYKE,
3 St Peter's Villas, W6,
October 17.

Rewards for novelists

From Mr Anthony Burgess

Sir, Permit me, please, to rebuke Mr Hunter Davies for an impudent fiction perpetrated in his article on the Booker Prize (October 19). He says: "Burgess went into a hulk when he didn't win, not turning up at the dinner."

Since the winner of the award in the year he refers to (1980) was announced only at the dinner, he credits me with a presence I do not possess. If I did not turn up at the dinner it was for a variety of reasons — fatigue after a transatlantic flight, the lack of a dinner jacket, a dislike of banquets, an accession of dyspepsia — but the sulks had nothing to do with it.

The only emotion I have ever felt — and indeed at this moment feel — in connexion with literary awards is rage, referred and patriotic, at the Nobel committee's refusal to notice that what Mr Davies calls "the poor old novel" is doing rather well in these islands. For a novelist like myself, who writes seriously for money, the Booker handout is a highly negligible nugget.

Yours very truly,
ANTHONY BURGESS,
Hotell Diplomat
Strandvägen 7C, Stockholm.

David Wood

No escape from the Tory dilemma

The controversy that rumbles on inside the Cabinet and the Conservative Party, especially at a time when Treasury ministers again demand cuts from big spending departments, may be described romantically or crudely. Romantically, you invoke the name Disraeli, make free use of such Uriah Heep phrases as "one nation" and "a great patronage society", and then go on to argue for state intervention and the outpouring of taxpayers' money to correct all the ills of society that might cost you your seat or lose your party the next general election.

Crudely, you say that politics is about winning and holding power, and that no government may expect a renewal of mandate if it has allowed 3 million unemployed, persistently high interest rates, an excessive level of inflation, repeated cuts of familiar public services, and much else. You have antagonized all your friends. Therefore you change course, or if that phrase is indigestible at No 10, you change gear. At any rate, you throw away or alter policies you were elected on and any economic strategy that you have pursued and diligently defended for a long time.

Presto, the voters, who never know a hawk from a handaw, fall in love with the government all over again, and no marginal seat is at risk.

Most post-war governments, at a well judged moment, have tried such electoral tactics. Historically, though, the tactics cannot be relied on to work. For voters

they are offered, probably because they know their money bought it.

Nobody has any reason to doubt the prospect on which Mrs Thatcher and the Conservatives were elected in 1979. Broadly, it was to stave off the public purse, cut taxes on earnings, curb inflation and make sterling sound, push back the frontiers of creeping socialism and let loose the creativity of the nation to finance its own insatiable expectations of rising prosperity.

As it is the way with party prospectuses, it has not turned out like the Party's prospectus. The drive for equality, which was to stimulate the plant into more vigorous growth. Higher indirect taxation has fed inflation. Nationalized lame ducks are still burdens to be carried on the profits of a shrunken private sector. Small businesses are in Carey Street. Owner occupiers are stretched on the rack of high mortgage interest. Manufacturing productivity and investment stay low. Unemployment soars and adds to public costs.

The scene is set, then, for the Conservative argument inside and far outside the Cabinet, change course; forget the 1979 prospectus; enter a free-market economy for general election votes, and thereby ensure the 10 years of uninterrupted power that Mrs Thatcher herself said would be necessary to consolidate her counter-revolution.

Here and there, in fact, we have seen the Government already intervening lavishly with taxpayers' money to temper the wind for short lulls in a time of deep trade recession. The rhetoric, not least of the Prime Minister, has nevertheless stayed unchanged. There are good reasons why.

After all, a Conservative government has been before, within easy reach of memory. That is why Mr Heath lost the leadership in 1975. Some ministers and members of the 1922 Committee were unhappy with the nationalization of Rolls-Royce. Although

the decision was obviously inescapable. Debts were then sown. Conservatives thought they were doing something to prove a socialist case. Then, as unemployment rose towards a mere million, the Heath government, as some Conservatives thought, printed money, cut taxes on earnings, and before long there followed moves toward cooperation and an incomes policy.

Mrs Thatcher, openly, and Sir Keith Joseph in his private meditations, nibbled at what they saw, and eventually a majority of the 1922 Committee joined them and preferred Mrs Thatcher's view of the Conservative direction. Mr St John-Stevas, like her, belatedly, proudly enlisted in her campaign, although he is now the busiest among her critics.

In short, Mrs Thatcher took her stand early against the collectivist and corporatist tendencies within her party, and she cannot now change course, gear, or strategy without destroying her credibility or without betraying what she profoundly believes to be the true national interest.

No more can the Cabinet or the Conservative Party. They will carry the responsibility for their years of power, and a radical change of course now, in the middle of this Parliament, would be a disastrous confession that they have inflicted needless misery on the country and that in the end they acknowledge that state control and collectivism, as advocated by Mr Tony Benn, will turn out to be inevitable. Moreover, only blatant Conservative U-turns could rescue Mr Michael Foot from his electoral difficulties.

Mrs Thatcher's critics have no genuine choice. They must now stand with her, or risk the party's electoral obliteration. In 1983 or 1984 the risks of a policy change will be greater than the risks of self-confident consistency. With the Steel-Jenkins Alliance waiting to strike, there is no escape from the Conservatives' mid-term electoral dilemma.

Treasury resigned to fewer spending cuts

By Frances Williams

The Treasury is now prepared to settle for a less than half the £7,000m potential overrun on public spending plans next year. This would leave spending some £3,000m above the level originally budgeted for 1982-83. But a rise in taxes to pay for the extra is not yet on the cards, provided the Treasury can get the cuts it wants. The Government is also expecting higher revenues next year. The Cabinet is due to discuss public spending again on Thursday. Although ministers do not expect to reach decisions on specific cuts, failure for a second time to agree even the broad objectives outlined by the Treasury would leave the Government's economic strategy in considerable disarray. The Cabinet debate last Tuesday revealed that most ministers were opposed to big spending cuts.

Mr Leon Brittan, Chief Secretary to the Treasury, is having discussions with key spending ministers on where cuts might fall.

That these discussions are expected to be difficult is indicated by the setting up of an ad-hoc committee of senior ministers, chaired by Mr William Whitelaw, the Home Secretary, to adjudicate between spending ministers and the Treasury.

Proposed cuts in the real value of social security benefits are likely to prove especially sensitive. The Treasury is seeking to restrict the rise in unemployment and other short-term benefits next year to well below the inflation rate. In addition, it may try to avoid compensating people for the fact that inflation this year is certain to be higher than the rate on which this November's increase in benefits is based. The £3,000m to £4,000m of cuts now being demanded by the Treasury would leave total public spending in real terms roughly the same as this year. Spending in 1982-83 was planned to rise by 2.5 per cent in real terms, costing about £11,000m in total. But bids by spending ministries have amounted to some £12,000m, hence the Treasury's initial pressure for £7,000m in cuts.

Now the Treasury says it will allow spending next year of around £13,000m to £14,000m. Once price rises are taken into account, this is about the same in real terms as spending this year, now reckoned at between £10,000m and £10,500m (compared with the £10,400m budgeted for in the spring).

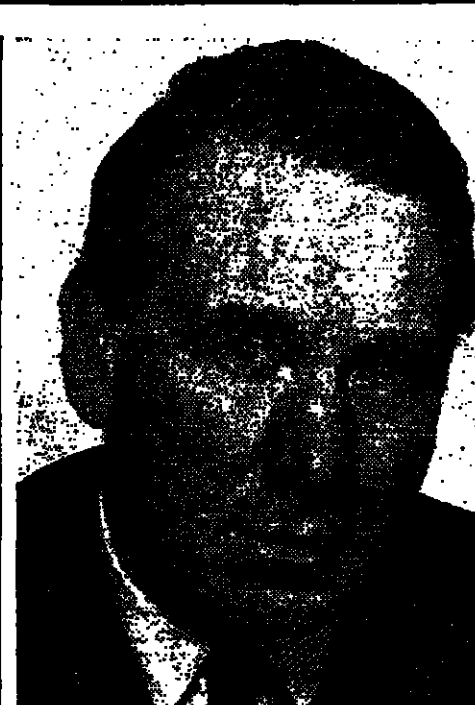
But this does not mean that no real cuts are planned. Some programmes will have to be cut to accommodate overruns in others.

These include extra spending on social security benefits because of higher than expected unemployment; extra interest payments on government debt because interest rates have risen; overspending by local authorities which cannot be slashed in time for next year; and commitments to spend more on special employment measures. Programmes are now being squeezed by tight cash limits which were set assuming a lower inflation rate this year. Cuts in manpower or service levels must be a result will not be restored next year. Provided the Chancellor gets the cuts he wants, he will not have to put up taxes as some have feared, to finance the extra public spending in 1982-83. Revenue projections are looking brighter now, enabling the Chancellor to stick to his borrowing of about £9,000m in line with his medium-term financial strategy. But the Chancellor will not have room to reduce taxes or to cut the much-criticised national insurance surcharge. And if he does not get the cuts he wants, he will be forced to relax his borrowing plans if he wishes to avoid increasing taxes. Tax rises would be deflationary, highly unpopular and would provoke stiff opposition within the Conservative Party.

Illingworth decision day for Mrs Mason

By Philip Robinson

The board of Illingworth Morris, the Yorkshire textile group, will attempt to vote Mrs Pamela Mason, their chief shareholder, and her son Morgan, as directors, at a special meeting today. Although Mrs Mason has contracted to sell the 46 per cent of Illingworth shares she controls, they are still legally hers, and will be used by a proxy to keep her and her son Morgan as directors. Mrs Mason influences the shares as sole executrix of the estate of her father, Mr Isidore Ostrer, who founded the company with his brother Maurice. At one stage, she intended to vote to remove Mr Donald Hanson, as chairman, and Mr Peter Hardy as joint chief executive. But during High Court actions against her by relatives and the executors of Mr Ostrer's estate, she gave an undertaking in court not to use the shares for this purpose. She can use the stake to defend her own position, however. Illingworth's annual meeting and the two special shareholders' meetings were adjourned from October 1 to 27. "There is no question of them being adjourned again. It will be all guns blazing this time," Mrs Mason has agreed to sell her stake to a Manchester businessman who runs a London-based quoted property company. He is buying through an Isle of Man company, the name of which is not a director. He is also chairman of the Anglo Mex Bank. Mr Lewis will buy the stake in two parcels. He will be beneficial owner of 19 per cent of the votes in January, paying £707,718 for a package of voting and non-voting shares. He has an option to buy the remaining 27 per cent of the votes before April for £327,908. No price split is given between the voting and non-voting shares. The average price for all the shares under the plan is 11p. Illingworth's shares closed on Friday on the Stock Exchange at 20p. Mr Lewis's option on the 27 per cent voting stake is conditional on the withdrawal of a winding-up petition against Lottbury Investment Corporation, through which Mrs Mason exercises control of part of the shares.



Sir John King: committee chairman



Michael Grylls: set up group

Planning for cheaper investment

By Michael Prest

A proposal that repayment of interest and capital on long-term loans to industry should be set at no more than 10 per cent on the previous year. The other members of the group were Sir John King, chairman; Mr Bill Poeton, president of the Union of Independent Companies; Mr Barry Baldwin, partner in Price Waterhouse; banking economist Mr Grylls is chairman of the Conservative parliamentary backbench industry committee. Within the context of the beliefs that government should cut expenditure to avoid crowding out and that, on the whole, British industry does not enjoy

extended, and that banks should restrict the increase in lending to borrowers other than industry to no more than 10 per cent on the previous year. The other members of the group were Sir John King, chairman; Mr Bill Poeton, president of the Union of Independent Companies; Mr Barry Baldwin, partner in Price Waterhouse; banking economist Mr Grylls is chairman of the Conservative parliamentary backbench industry committee. Within the context of the beliefs that government should cut expenditure to avoid crowding out and that, on the whole, British industry does not enjoy

as beneficial support from banks as its main foreign competitors, the committee advanced proposals designed to provide more and cheaper investment. Medium to long term funds, defined as not less than five years, should be repayable net of corporation tax by agreement with the Treasury which would oversee the scheme and approve borrowers and lenders. Companies borrowing under such schemes would have a capital repayment holiday for three years, but interest earned from the investment of funds received under the scheme would be subject to corporation tax. Financial Editor, page 13

Oil groups threaten to quit Italy

From John Earle, Rome, Oct 25

International oil companies are threatening to withdraw from Italy unless the Government changes the present system of price controls which they say is causing heavy losses. Such a move could disrupt Italy's oil supplies.

Signor Giovanni Marcora, Minister of Industry, told a press conference at the weekend that he believed Total Italiana, which has 7 per cent of the market, was about to suspend its refining and marketing operations.

The management had informed him that its losses during the first six months of this year amounted to over 100,000 lire (£45m). "I think Total will not be the only foreign company to abandon Italy", he said.

The prices of oil products are determined by a complex formula laid down by the Government, under which Signor Marcora said companies were at present losing 40,000 lire for every tonne of crude imported.

The share of the market supplied by the state corporation ENI had risen to 60 per cent, and its subsidiary, Agip, in consequence lost 600,000 lire in the first half of this year.

He had called the conference to announce that the national energy plan, which has passed Parliament, should receive final ministerial approval and come into force next month.

It aims to reduce dependence on oil from 67.2 per cent of all energy needs to 51 per cent in 1990, with correspondingly greater use of nuclear power and coal.

Resistance to French state takeovers grows

By Our Financial Staff

A group of international businessmen is to meet in London today to discuss ways of resisting the French government's takeover of companies in that country. The move has partly been encouraged by the apparent success of investors in gaining control of the Swiss subsidiary of Paribas, the Banque de Paris et des Pays-Bas.

One of the challenges to the Socialist Government and President Francois Mitterrand, two leading French companies, Crédit Commercial de France and Pechiney-Ugine-Kuhlman, have said that the price offered is much less than their value.

The way in which an hitherto obscure Swiss investment company, Pargesa, obtained control of the Paribas bank has sparked off a political row in France and caused the resignation of M. Pierre Bousquet, president of Paribas.

Paribas is one of the biggest banks in France. Last year it made a profit of FF1,300m (£125m) on assets of FF8,250m. The bank is particularly active in Switzerland, Holland, Belgium and Luxembourg, as well as in former French territories and the United States.

Interests from many of these countries are expected to be represented at today's meeting. One of the leading shareholders in Paribas is Warburg, the London merchant bank. Warburg has already said it is not happy with the nationalisation plan.

The two banks are linked by series of cross-holdings. Warburg holds 12.5 per cent of Paribas France, and 10 per cent of banking subsidiaries in Holland and Belgium. Paribas has a 24 per cent stake in Warburg.

and there is a joint operation in New York. One point likely to be made by those challenging the French Government's takeover of companies is that not enough is being offered to shareholders. Whereas the government has offered FF3,600m for Paribas, for instance, Pargesa's acquisition of 10 per cent of Paribas valued the Swiss subsidiary at FF2,300m.

Pargesa is owned by Becker, of the United States, Canadian Power Corporation, Frere, of Belgium, and Volvo of Sweden. On October 8, Pargesa announced that its capital had been increased from Swiss francs 50m (£14.5m) to SF280m.

The next day M. Bousquet said that Pargesa was hiding for the Paribas Swiss subsidiary and that Pargesa's capital had been raised again, this time to SF1,000m.

On October 12, M. Bousquet told the government under pressure, that he would try to stop the takeover. But nine days later he resigned, and the following day Pargesa said it had bought more than half the shares in the subsidiary. The offer for the shares closes today.

The sale of the subsidiary to interests outside France appears to be legal. The example has opened the way to other sales of overseas assets, perhaps encouraged by the parent companies in France resisting nationalisation.

M. André de Puyffier, president of Pargesa, has been reported as saying his company is "planning other operations affecting international shareholdings in the Paribas holding group".

UNIONS SEE HOOVER ON CLOSURE

Union officials will meet directors of Hoover today to try to stop the closure of the Perle plant in London and the loss of more than 1,000 jobs.

The officials say the vacuum cleaner factory is the most profitable of the company's three in Britain. They want to see a copy of the report by management consultants on which the decisions were made.

Mr Harry Greenwood, Conservative MP for Ealing North, has tabled a Commons motion asking the Government to intervene.

In the face of losses of £50,000 a day, the chances of the talks achieving a change of heart are remote and the possibility of Government action even less likely.

EEC seeks policy on textiles

From Peter Norman, Brussels, Oct 25

European Community trade ministers will try to hammer out a united position on textile imports this week to allow the EEC Commission to press ahead with negotiating the renewal of the Multi-Fibre Arrangement (MFA).

But on the eve of talks in Luxembourg, wide differences remain between Britain, France and Italy, which want to apply a very restrictive regime, and West Germany, Holland and Denmark, which believe that the MFA must retain some of the liberal characteristics of the original agreement.

This sought to give as much scope as possible for Third World imports of textiles and clothing as a way of helping poor countries.

The Commission desperately needs a clear mandate to renegotiate the 25 or so bilateral agreements with low-cost producers that keep a tight grip on imports of sensitive textile products from these countries.

It must also renegotiate the preferential agreements that exist between the Community and several Mediterranean countries. These have been criticised for allowing the Mediterranean countries to step up their exports to the EEC at a faster rate than the low-cost producers.

CBI says cheap Japanese loans may cost jobs

By Baron Phillips

Jobs will be lost if British exporters are unable to compete with 9.25 per cent government-backed loans now possible for their Japanese competitors, the Confederation of British Industry says today.

The way for the Japanese Government to offer cheap loans for exporters was cleared at a meeting of the Organisation for Economic Co-operation and Development in Paris. This gave special status to Japan as a low interest rate country.

Other members of the OECD agreed to a range of rates between 10 and 11.25 per cent in the talks, which sought to renegotiate the agreement on export credit interest rates.

Mr Bryan Rigby, deputy director-general of the CBI, has written to Mr Peter Rees, the Minister of Trade, saying if at his meeting the Japanese have been exempted from conditions which would bind other OECD member states, "Mr Rigby said."

Overseas companies not tied to British manufacturing facilities would examine whether they could afford to continue buying goods from Britain rather than Japan. Mr Rigby said: "Jobs will almost certainly be lost as a result."

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Special steel to get help

Measures designed to ease the crisis in Britain's special steels industry will be announced by the European Economic Community soon.

Discussions have been taking place between the European Commission, the Department of Industry, the Bank of England and the British Independent Steel Producers' Association. Early this year, the Bank was instrumental in launching an independent investigation into the special steels industry. It recommended further reorganisation and rationalisation.

Largely privately-owned producers of high-value, high-speed and tool steels and stainless steel bars will be the main target of the Commission's measures. Competitors both inside and outside the EEC now sell to about half the British market.

Stock Markets
FT Index 461.9
FT Gilt 60.39
FT All Share Index 281.10
Bargains 16,174

Sterling
\$ 1.8215
Index 87.9

Dollar
Index 109.3
DM 2.2775

Gold
\$ 430.50

Money
3 mth sterling 163.163
3 mth Euro \$ 163.163
6 mth Euro \$ 163.163
Friday's close

BUSINESS BRIEFING



Sir Derek, reported on the investment programme.

Pit productivity 'up 4pc'

Productivity in the mines has improved by more than 4 per cent this year and coalface output by about 6 per cent, Sir Derek Ezra, the Coal Board chairman, said at the weekend.

Sir Derek told the National Union of Mineworkers Power Group at Stoke-on-Trent that rising output was needed to hold costs and win a bigger share of the diminishing energy market at home while continuing to expand exports. These had doubled for the third year against fierce competition.

But Sir Derek said the recession was putting pressures on the board's investment programme and the purchase of plant and machinery had been cut this year.

Gestemer banned
The Bahrain office of the Arab Boycott Bureau has blacklisted 34 overseas subsidiaries of Gestemer Holdings, itself already blacklisted for trading with Israel. The film *The Tamarind Seed* has also been banned because Omar Sharif, the blacklisted Egyptian actor, stars in it.

Kodak Limited, the British subsidiary of Eastman Kodak, is to offer voluntary redundancy to management staff aged over 50.

US car sales hit a low

Sales of American cars in the period October 11 to 20 were the lowest for 23 years, official figures showed at the weekend. The five companies sold 148,972 cars, down 25.4 per cent on sales in the same period of last year despite the fact that four of them were again offering special incentives to buyers.

In Japan, manufacturers announced that vehicle production in the first half of the fiscal year ending in September, beat by 0.1 per cent the record production of the same period last year.

The Japanese produced 3.47 million cars, down 3.1 per cent on the same period last year. 2.08 million lorries, up 5.3 per cent and 56,000 buses, up 22.6 per cent.

Officials said the high level of production reflected a recovery in the domestic market stimulated by new car models.

Voluntary curbs on car exports to the United States and some West European countries did not fully affect production, but production in the second half of the year is expected to fall because of the curbs.

Ireland faces fall in GNP

Ireland's gross national product will fall in volume terms next year for the first time in more than 20 years, according to a report by the country's independent Economic and Social Research Institute.

It forecasts a fall of 0.75 to 1.5 per cent compared with a rise of 1.75 per cent this year. It also saw a worsening of the country's balance of payments deficit because of a sharp increase in overseas interest payments.

£2m campaign

Channel 4, the new ITV channel, is planning a £2m advertising campaign for the launch next autumn. For agencies, Saatchi & Saatchi, Ogilvy & Mather, Gold Greenlee Trotter and Boase Massimi Pollitt, have been shortlisted for the campaign at present.

Half the registered unemployed took three to four months to find work last year, eight times as long as in the late 1960s, Mr William Daniel, of the Policy Studies Institute, London, says in a report today.

McKechnie Brothers

our activities

United Kingdom
manufacturers of rods, sections and ingots in copper and brass; copper and copper alloy powders; chemicals based on copper; aluminium powder, paste and flake; ceramic fibres; builders' and domestic hardware, curtain track; moulded and extruded plastic products; cable glands and components for the electrical industry; metal windows and doors, mild and stainless steel tube and sections; steel conduit, generators, radiators for space heating; stockholding and metal merchanting; mould making; pressure vessels; sheet metal and plate fabrication; fasteners and allied products.

COMPARATIVE RESULTS			
Year ended 31 July	1981	1980	
	£000	£000	
Profit before tax and mental account	9,280	15,454	
Profit after tax	6,912	9,854	
Profit after extraordinary items	6,444	9,376	
Ordinary dividend per share	3,615	3,213	
	7.2765p	7.2768p	
Capital employed	85,913	87,448	

Annual Report and Accounts will be posted to Shareholders on 25 November 1981

McKechnie Brothers p.l.c.
LEIGHWOOD RD. ALDRIDGE, WALSALL WS8 8DS.

Esso plant hope for Ellesmere Port

By Our Industrial Staff

Esso has applied for outline planning permission to build a £40m fully automated lubricants plant at Ellesmere Port after an exhaustive study on the suitability of the site.

A spokesman for Esso confirmed last night that planning permission was being sought from the Ellesmere Port local authority but added that several other sites in Britain were still under consideration.

In August this year, BP pulled out of the Isle of Grain and Burmah decided to close its refining plant at Ellesmere Port.

It has been known for some time that Esso has been looking for a location to expand production of its blended lubricants division. At present it produces blended lubricants from two main plants at Manchester and Purfleet, Essex.

Trying to play down the importance of Ellesmere Port, a spokesman said it had been necessary for Esso to apply for planning permission before the local authority would discuss a plant being built in the area. Other local authorities had not asked for such planning detail.

Work has already started at Esso's Fawley refining plant to provide extra facilities aimed at expanding the oil group's capacity in the lubricants market. Esso has around 20 per cent of the oil products market, of which lubricants is a part.

Although oil companies are generally cutting down their refining capacity, most have a heavy capital spending programme aimed at upgrading existing specialist refinery plant.

EXCHANGE CUTS LEVY ON BROKERS

The general levy which the Stock Exchange charges for its services and uses to top up the Compensation Fund when stockbroking firms collapse, has been reduced by a third to 1 per cent.

The levy was increased to 11 per cent last July when it was feared the collapse of brokers Norman Collins and Hedderwick Stirling Grumbar would put a strain on the Compensation Fund.

The Exchange says that since Hedderwick is likely to be paying creditors 100p in the pound, the Compensation Fund will get back £1.2m of the £1.5m it has paid out since the collapse of the two firms.

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MANAGEMENT

Why Americans could put workers on the board...

American business leaders, brought together in New York a few days ago by the Conference Board research group to discuss company law, spent a great deal of time debating something which most people might have thought was out of court in corporate America — the role of labour representatives in the management suite.

The typical senior corporate officer invited to such meetings usually heartily endorses the sort of tough line followed by the Reagan administration when faced by the air controllers' strike.

Yet, if the mood of the New York conference is anything to go by, a change of attitude is taking place. No one, it seems, any longer believes that the union-bashing spirit will suffice to break the inflationary back of the present system of collective bargaining. It may not even prevail for the full four years of the Reagan administration.

The hope of the corporations had been that the swelling ranks of the unemployed (now more than eight million) would put pressure on the unions to moderate their wage demands. But, given the existing pattern of collective bargaining, this type of moderation has become virtually impossible.

A typical unionized American plant is dominated by one organization, and the highly paid officials of the union "locals" which run these organizations can remain in power only by advancing, and sticking to, extremely aggressive bargaining positions.

The chief defence of management has been to move as much as possible of their manufacturing capacity to regions such as the south and west (or Europe and the Far East, for that matter) where the unions are relatively weak. This relieves companies of some of their short-term

pressures. But it does so at the cost of aggravating the unemployment problems of the old-established industrial centres.

Moreover, the unions are now hot on the trail of managements. In the past, efforts to organize labour in new areas were left to the individual initiative of the United Mine Workers, the International Brotherhood of Teamsters, the Ladies Garment Makers and other strong unions.

More recently, the American Federation of Labor/Congress of Industrial Organizations (the AFL/CIO, comparable to Britain's TUC) has decided to launch a combined operation in Houston, Texas, with the objective of bringing much of the south-west into the union orbit.

In this new empire-building by the unions, the tactics are likely to get increasingly rough.

The American unions are aggressive but may not, on the face of it, seem as strong as their British counterparts. Even in a unionized plant, fewer than a quarter of the workers may actually be members of a union. But in part-unionized or non-unionized plants, managements feel obliged to offer pay and other conditions at least as good as those won through the collective bargaining process. This means that, although the unions may seem to play a less dominant role in American industry, the inflationary pressures which they build up can soon seep deep into the system.

Inability to stem the tide of union demand has been one of the main, though unspoken, motives behind the recent spate of mergers and spin-offs among American corporations. The unions have yet to discover an effective strategy against this type of attrition.

Yet there is a widespread



A passenger looking on as members of America's Air-Traffic Control Union picketed Miami International Airport this summer; more businessmen are coming round to the view that "union-bashing" will not work.

feeling among Conference Board members (other than the merchant banks, which have profited immensely from the mergers) that better ways must be found to restore American productivity without setting off a new wave of more destructive strikes. The 'Harmonious labour relations' in Germany, Sweden and the Netherlands (not to mention Japan) are being attentively studied, and the idea of workers' representatives on the board is being seriously discussed.

Managements represented at the New York meeting seemed surprisingly ready to learn from the Chrysler experience. The \$1,200m (£660m) government loan guarantee was not judged to be the most significant part of the salvage operation. In the long run, it was considered more important that the union had agreed to employee share ownership rising to an eventual 45 per cent of the total outstanding, to wage and other cuts bringing a total saving of \$600m (£300m) and

to accepting a seat on the board of directors. Insiders responsible for the Chrysler deal have emphasized that the seat was offered to Douglas Frazer individually, not in his capacity as head of the United Automobile Workers (UAW).

They also revealed at the meeting that labour matters seldom reach board level — in Chrysler or other big corporations — and that, when they do, Frazer has made a rule of excluding himself from the discussion. On this basis, many managements seemed ready to accept that labour representation on their board need not be anathema after all.

William C. Norris, chairman of Control Data (a vigorous competitor of IBM), made it clear that he is no longer shocked by the concept, although he admitted that, in steps towards putting it into practice, he has never had any luck at all with the unions. Philip W. Moore, a solicitor who represented the UAW in some of the most critical

Chrysler negotiations, was more positive, believing that the practice of including labour representatives on boards of directors may quite quickly spread to other motor companies, to steel and to almost every important sector of the economy.

The Chrysler experience could thus become the first of many, rather than just an example of the disparate corporate aberration. A much more serious barrier that seems also to be crumbling has been the opposition of the unions themselves. Even the International Association of Machinists and Aerospace Workers, the left-leaning organization that tried to sue the Organization of Petroleum Exporting Countries, is beginning to see advantages in the fire-power that goes with a seat on the board. Their international president, William Wimpfinger, is reported to have concluded that the whole question ought now to be rethought.

Edward Symonds

West Germany's co-determination system is often held up as a model of employee involvement.

Its supporters and admirers believe there is much to be learnt — and benefits to be derived from adopting a similar system in other countries.

Among the latest to seize on the concept is Mrs Shirley Williams, one of the leading lights of the Liberal-SDP Alliance.

She regards the German experience at company level as providing a fruitful basis for improving productivity in industry and generating a better understanding of the need for voluntary restrictions on incomes and prices.

But is she right? Is the co-determination at company level in Germany as successful as many outside observers suggest?

At least one insider with first-hand experience of the system in a large company believes that its future should be questioned.

Dr Egon Overbeck, chairman of the board of management of Mannesmann AG, which employs 110,000 workers in the production of steel tubes and in engineering, last week raised doubts about the effectiveness of co-determination at company level — the structured participation of employees, or their representatives, in the company's formulation of objectives and decision-taking.

Speaking in London at a gathering of British and German industrialists, he gave warning that the diversity of legal regulations and the different forms of co-determination contained the seeds of conflict.

"They do not meet the requirements of modern corporate management. In my opinion, co-determination at company level, particularly in vertically-structured companies, has a tendency to obstruct and delay; rather than promote and accelerate decision-making," said Dr Overbeck.

"I would say that the practice of co-determination of company level reveals shortcomings in the fundamentals of the system."

Co-determination at company level, he argued, united for joint action people with widely differing backgrounds, experience and ways of thinking.

In their normal professional activities, some of them confront each other as representatives of group interests. These factors complicate cooperation which should be directed towards the good of the company rather than represent sectional interests."

Dr Overbeck claims that

... and a German who is not so keen on the idea



Dr Egon Overbeck, chairman of the board of management of Mannesmann AG, doubts over the effectiveness of his country's "co-determination" model of employee involvement.

research work into the effectiveness of co-determination shows that employees are hardly interested in the company level machinery. Most workers are far more interested in plant-level co-determination.

But surely the involvement of employees at company level in decision-making is among the factors which have secured Germany its much admired low level of industrial disruption? Not so, according to Dr Overbeck.

"The fact that we have fewer strikes in Germany than in other countries, is I believe, essentially due to three factors," he said during his London speech. "First, we have unified trade unions that hardly compete with each other. Secondly, they in principle accept and support our country's political, social and economic order."

"Thirdly, the relative peace in labour relations was paid for by wage increases which — combined with differing exchange rates — catapulted Germany from her position in the lower third of the wage scale to the very top."

Dr Overbeck acknowledges that company-level co-determination can provide a forum for making company matters and corporate decisions more open and that it might help to remove prejudices. But he questions its form and organization.

"In an economy where the opposition of capital labour in the company is fading out, co-determination should not be based on an obsolete foundation."

His strong belief (and a policy which is being pursued at Mannesmann) is that in future those examining co-determination at company level should devote much more thought to the ownership concept.

"Only if large sections of the personnel can be brought to invest their savings in capital stock will the companies be in a position to solve the problems of the future. Co-determination does not make people happy, nor does it give them satisfaction."

"It does not even satisfy the trade unions involved in it," Dr Overbeck warned his audience.

Peter Hill

TO ALL THOSE WHO HAVE BL'S INTERESTS AT HEART.

THE FACTS THAT DICTATE OUR FUTURE.

The BL Cars' pay negotiations covering hourly graded employees have reached a crucial stage.

The Board of BL want to make sure that all those who have an interest in the Company should understand the background to the offer and its implications for the future.

Twelve months ago BL Cars' employees accepted a 6.8% basic rate increase together with an incentive scheme based on productivity.

Consideration of the 6.8% basic rise in isolation could suggest that BL Cars' employees' wages have fallen seriously behind those of other manufacturing workers.

This is not true.

The incentive scheme has effectively doubled the basic wage increase making a total average increase of 13½% over the year, which matches the national manufacturing average.

Over the same period the cost of living has risen by 11.4%.

So the spending power of the BL Cars' workforce has actually grown.

It is also important to know that, even at existing wage levels, the BL car production worker's earnings are among the highest in the UK motor industry.

So much for 1981.

We are now dealing with the year to come. Once again it will be a vital year for the Company.

It would have been unfair — even insulting — to offer any less than the utmost that the Company could afford.

Especially in view of past co-operation and the fine industrial relations record that has contributed so much over the last three years.

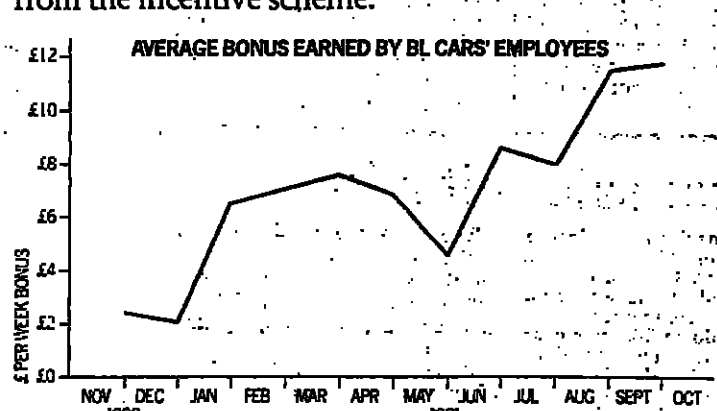
The most that BL Cars can offer on grade rates is £3-£4. But the incentive scheme has been significantly improved.

The scheme now guarantees all employees a minimum normal weekly bonus of £3.75 — which means a wage of between £101.35 and £112.35 minimum for most employees. At the same time the bonus ceiling has been raised to a maximum of

£30 a week. This could take the production worker's maximum pay to £127.60 and the skilled worker's maximum to £138.60, both for a 39 hour day shift week.

This improvement was rejected by union and employee representatives on Thursday, 22 October.

The outstanding success of Metro, followed by the Acclaim and other new models will give employees every opportunity to benefit even more from the incentive scheme.



The graph shows the impressive trend of bonus payments through the year and particularly over the last few months.

What are the options?

To pay more and become uncompetitive — this way we wither away in the face of competition.

To have a strike — this would destroy customer confidence and damage market share just as new models have halted many years of decline.

And we do not have the cash to stand a damaging dispute, even for a few days.

To settle the dispute on the terms offered by the Company — in which case the Board, with the support of the workforce, are prepared to seek the funds which are essential for the new model programme and push ahead with the plans for the Company's recovery.

The last option is the only way to secure the future.

BL Limited

This message has been issued by the Board of BL Limited.
Sir Michael Edwards, Chairman. Sir Austin Bide, Non-Executive Deputy Chairman. David Andrews, Executive Director. Sir Robert Clark, Non-Executive Director.
Ray Horrocks, Executive Director. Sir Robert Hunt, Non-Executive Director. John Mayhew-Sanders, Non-Executive Director.

Builders fear curbs on bank mortgages

By Baron Phillips

There are growing fears within the building industry that the Government may intervene and try to dampen bank involvement.

At the root of this fear is government monetary policy aimed at curbing the expansion of money supply, especially in the personal lending sector.

Builders fear curbs will be applied to bank lending for mortgages to restrict the growth of money supply because estimates look as though they will be widely exceeded.

In the past government concern has centred on house prices being inflated by the readily available supply of mortgage money.

This is not the current problem. Prices, if not falling, are static. There is an ample supply of second-hand houses on the market, but there is not the underlying confidence among potential buyers to start trading up.

It is expected that private sector housebuilding this year will exceed last year's extremely low level by about 20 per cent, far lower than original forecasts. The industry is worried that any interference in the availability of mortgages will curtail the new homes market.

Mr. Paddy Naylor, who set up the company, is a director of Bovis and Furness Withy before becoming chief executive of BSC (Industry), British Steel's job creation subsidiary. In its first year, BSC (Industry) created 3,000 jobs, in its second 6,000, and in its third 9,000.

The company is on a retainer plus an incentive for each new job, paid in tranches over two years "to make sure they aren't candy floss jobs", Mr Naylor said.

"If we create a lot of jobs we are going to create a lot of money."

Mitsubishi to acquire Telecom know-how

By Bill Johnstone, Electronics Correspondent

British Telecom is about to sign an agreement with Mitsubishi to acquire know-how about the levels of import of Japanese video cassette records (VCRs) and is trying to encourage Japanese manufacturers to transfer some production to Britain.

The agreement is a result of a number of visits to Japan by executives of British Telecom and has been assisted by the signing of a pact between the Japanese and the British governments.

Sir George Jefferson, the chairman of British Telecom, accompanied Mr. Kenneth Baker, Minister for Industry and Information Technology, to Japan in April when the first of two agreements on high technology collaboration was signed.

Next week, Sir George and Mr. Baker will be going to West Germany where they will visit the Bundespost and Siemens. The advances made by the Germans in telecommunications technology and how, if at all, it could benefit British Telecom appear to be the main areas of interest.

The Government is expected to issue the guidelines for obtaining approval of telecommunications equipment within a week or two. British Telecom will play a significant part in the approval procedure before the

Correction

The picture of Mr. Michael Cohen on page 17 of The Times of October 23 was not that of the chairman of Highland Electronics but that of Mr. Michael Cohen, who is chief executive of MPC Artists & Management and managing director of Empey Telephones. We apologise to both.

Job makers boom in recession

By David Hewson

One side effect of the recession is that Job Creation companies set up to find employment for areas affected by the slump, has expanded rapidly.

In 17 months the staff has grown from three to 30 and it has opened an office in Brussels. It has picked up contracts to find jobs for Linwood, Scotland — affected by the Talbot car plant closure — and the Belfast enterprise zone.

Phillips, the Dutch electronics manufacturer, has called in Job Creation over the closure of a factory in The Hague.

Mr. Paddy Naylor, who set up the company, is a director of Bovis and Furness Withy before becoming chief executive of BSC (Industry), British Steel's job creation subsidiary. In its first year, BSC (Industry) created 3,000 jobs, in its second 6,000, and in its third 9,000.

The company is on a retainer plus an incentive for each new job, paid in tranches over two years "to make sure they aren't candy floss jobs", Mr Naylor said.

"If we create a lot of jobs we are going to create a lot of money."

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The Over-the-Counter Market

Capitalisation £000's	Company	Last Price	Change Week	Dividend	P/E	Actual	Full Yield
1,084	ABI Elides 10% CULS	109	-1	10.0	9.2	—	—
3,821	Airsprung Group	65ad	-4	4.7	7.1	10.5	14.5
1,075	Armstrong & Rhodes	43	-1	4.3	10.0	3.6	8.1
1,173	Bardon Hill	192	-1	9.7	5.1	9.3	11.4
7,462	Deborah Services	97	—	5.5	5.7	4.8	9.1
4,312	Frank Horsell	115	—	6.4	5.6	10.4	25.0
8,524	Frederick Parker	59	-1	1.7	2.9	25.7	—
904	George Blair	49	-1	—	—	—	—
3,839	IPC	96	—	7.3	7.6	6.9	10.4
2,454	Jackson Group	97	+2	7.0	7.2	3.1	6.9
15,182	James Burroughs	110	-2	8.7	7.9	—	—
2,887	Robert Jenkins	283	-2	31.3	11.1	3.9	10.0
2,580	Scruttons "A"	53	—	5.3	10.0	8.2	7.6
2,577	Torday Limited	187	—	15.1	8.4	7.2	12.4
2,992	Twinklark Ory	14	+1	—	—	—	—
2,157	Twinklark 15% ULS	79	+3	15.0	19.0	—	—
5,036	Uniflock Holdings	33	-1	3.0	9.1	5.9	10.0
10,528	Uniflock Holdings	83	-1	6.4	7.7	5.5	9.7
5,228	W. S. Yeates	224	-1	13.1	5.8	4.2	8.6

BY THE FINANCIAL EDITOR

Channelling funds to industry

The clearing banks must be relieved and agreeably surprised that the latest tract on lending to industry is primarily aimed at the Inland Revenue rather than themselves. It makes a change. The Wilson Committee spent three and a half years attempting to find a financing gap which was strangling British industry in direct contrast to the experience enjoyed by its competitors. The charge was not proven.

Now Mr Michael Grylls, chairman of the Conservative Parliamentary back-bench committee on industry and a champion of small firms, has come up with some specific proposals for the Government to help industry retain more of its undoubted needs. The basic proposal of his study group chaired by Sir John King and three months in the making, is that medium to long-term loans for defined industrial projects, should have interest paid net of corporation tax (the "tax-spared" lending, or in other words, a plea for deferment). The cost to the Revenue would be around £300m, a fair cost claim the authors, for generating industrial investment of £3,000m when set against spending on temporary job creation schemes (£700m) or nationalised industries (much more).

Such loans would be for a minimum of five years and there would be an initial capital repayment holiday up to a maximum of three years. In banking jargon this is called "tax-spared" lending, or in other words, a plea for deferment. The cost to the Revenue would be around £300m, a fair cost claim the authors, for generating industrial investment of £3,000m when set against spending on temporary job creation schemes (£700m) or nationalised industries (much more).

In stressing the need for more medium and long term lending to industry, the study group is riding an old hobby-horse, which is unsurprising given that Mr George Edwards, a long-time scourge of the bankers, is a member. And the Grylls' group has a point. As of August this year, 46 per cent of the take-up of bank finance by industrial borrowers was by way of overdrafts. Only in recent years have the banks been persuaded to lend long-term (up to 10 years) and they were pushed into making this kind of commitment by the United States banks in London who ate up great chunks of the clearers' traditional preserve.

But before the Treasury allows the Inland Revenue to grant industry any form of tax relief, the case for identifying hardship in respect of funds, must be more closely argued. The same is true of the study group's proposals that the banks should "offer" industrial investment bonds to depositors, net of income tax at the basic rate. Now that the argument between the banks and building societies about the advantages the composite tax rate gives the latter has lost some of its force, the banks should not disagree too much about such bonds in principle. However, the notion looks thin when worked out at present, with details of the bonds' maturities or marketability yet to be disclosed.

On the third proposal, to increase the lending limit under the Small Firms Loan Guarantee Scheme introduced in the last Budget from £75,000 to £250,000 and £500,000 in special cases, two initial points can be made. First, it is a little too early to know how the £50m scheme is progressing. The banks, who were only genuinely attracted by the Government-backed part of the scheme, do not yet have details of bad debt experience.

Second, a limit of £250,000 when added to a company's other sources of bank finance, would make the scheme more suitable for those who have left the seedcorn stage and become eligible for medium-term loans elsewhere, maybe the merchant banks seeking a role to play within United Kingdom industry.

Lastly, the proposal that banks should be encouraged to restrict their growth in loans to the personal sector by an increase of 10 per cent a year, assumes, for instance, that this year's surge in consumer lending has crowded out the business sector's funding requirements. For this again, the case is not proven. The banks only step up loans on the

personal side when industry is cutting back borrowings.

Nonetheless, the debate on the terms on which banks lend to industry and the international comparisons (not overstressed by the Grylls group) is vital, and to be continued. The immediate need is for a more lengthy, specific and detailed brief than that offered by Mr Grylls's team.

Investment Trusts

A new lease of life

Investment trusts are still enjoying a new lease of life. So, too, are investment companies which are relatively new animals specialising to a large extent in the shares of unlisted companies. The latest statistics from the Association of Investment Trusts Companies show that for the 12 months, to September 30 around 90 per cent of all the investment trusts reported outperformed the Financial Times all-share index in terms of total return on assets. This, of course, is what they should have done. The trusts after all are vehicles managed by professionals.

Over a five-year period to the end of last month, the trusts with the best return, according to the association, have portfolios containing a bias towards United Kingdom smaller company stocks, special situations and some Far Eastern Holdings. Over the one year period those funds with mainly Japanese and Far Eastern portfolios again produced the best return.

A key factor for some of the overseas-oriented trusts is the performance of sterling with several aided by the weakness of the pound. Of the specialists, Atlantic Assets and Rothschild Investment Trust stand out. Those specialising in small companies have a particular problem, however. By their very nature small companies tend to be narrow markets and the trusts have found their shares difficult to sell on occasions. That, in turn, will reflect on the trust. Essentially, however, trusts like these and others more oriented towards the United Kingdom will move in price according to how the market generally moves.

The strength or otherwise of various currencies relative to the pound is the obvious key factor for the international ones. The last spate of trusts to appear occurred in 1972 and there were some in the market who swore they would never allow a repetition. But the performance of the Japanese funds has changed a number of minds, and plenty of room exists for more, given that the total value of Far Eastern funds is probably only around £60m against the global figure for all the trusts of £8,000m. Fashion is also important, and who knows what fad will be tried to tempt investors next.

The Blackwood, Morton (BMK) carpet making receivership could not have come at a worse time. The September carpet fair at Harrogate saw industry spirits rising a bit ahead of the key Christmas season and before the latest evidence of dear mortgages and housing slump. Now the big three retailers led by Allied, and Harris Queensway, have latched on to plenty of cheap carpet under a good brand name, and the top three retailers probably account for more than a third of the market, giving them a Marks & Spencer type grip on the trade. The retailers were already thriving on cheap imports of woven and tufted carpets from the United States, only recently mitigated by the strong dollar.

It's place in the United Kingdom market has since been taken by Belgium. Hugh Mackay, and Shaw Carpets may thrive in an industry increasingly dominated by giants Donaghadee is part of Carrington Viyella while Carpets International is big enough to stand on its own, but the industry in general waits for someone else to follow Cyril Lord and A. W. Securities to the financial graveyard.

Plane makers jump on the transatlantic shuttle

"Fighterland USA" as the huge McDonnell Douglas plant at St Louis, Missouri is known, has recently finished turning out 5,000 F-4 Phantom fighter planes and it hopes to repeat the story with the new F-15 Eagle and F-18 Hornet. But, like most other aerospace companies in the world, McDonnell Douglas is now having to look for international partners to cut the soaring cost of new projects.

The immediate results can be heard on the factory floor and in the design shops of this centre of the American aircraft industry. The accents of Bristol and London mingling with the local drawl as production of 340 AV8B Harrier jump jets for the United States Marines and 60 for the Royal Air Force gears up.

McDonnell Douglas will make the front end and the wing for each aircraft in St Louis, while British Aerospace will make the tail section at Kingston, Surrey, and Brough, Yorkshire. Both partners will then swap parts and put aircraft together on production lines some 4,000 miles apart — in St Louis and at Bunsford, Surrey.

Rolls-Royce will assemble the Pegasus engines for the Harriers, but a quarter of the parts for each are being made in America by Pratt and Whitney and shipped across. The whole deal is worth big money — £4,500m for the Marines' order and £700m for the RAF one. Vertical takeoff, as incorporated in the Harrier, was a key technology of the 1950s, but it has taken transatlantic cooperation to take it out of the small

project bracket and into the big time — a marriage of British brains and American cash.

Such aerospace link-ups are becoming increasingly common as the research and development bills for a quite simple new aircraft, whether military or civil, and for the engine which powers it, threaten to break through the £2,000m ceiling.

Feelings of national pride which used to be possible when a Spitfire cost £25,000 are now being sacrificed, with reluctance in many cases, on the altar of shared costs and doubled sales.

Technically, such partnerships seem to work and even produce better aircraft, as engineers from widely different backgrounds act as a stimulus for each other. Parts brought from thousands of miles away across many frontiers are found to fit when they reach the assembly line.

The big danger that such cooperative projects will result in inflated costs, as in the cases of the Anglo-French Concorde supersonic airliner and the Anglo-West German Italian Tornado fighter bomber, is gradually being overcome.

Such grandiose projects the Concorde and Tornado, sucked billions of pounds from the national budgets of the partner countries involved, and led to a general disenchantment with what governments saw as the free-spending proclivities of international aerospace. Treasuries have staunchly the outflow of funds so that the aircraft of the new generation have to be

financed far more tightly, often with company money and with partners engaged either as straight subcontractors or as risk sharers.

The latter is the case with the British Aerospace 146 70 to 100-seater airliner, which has recently begun flight trials at Hatfield, Bedfordshire. BAe is funding the project out of its own money, is buying the engines off the shelf from America, and has risk sharing partners in SAAB-Scania, of Sweden, making the tail, and Avco of America, making the wings.

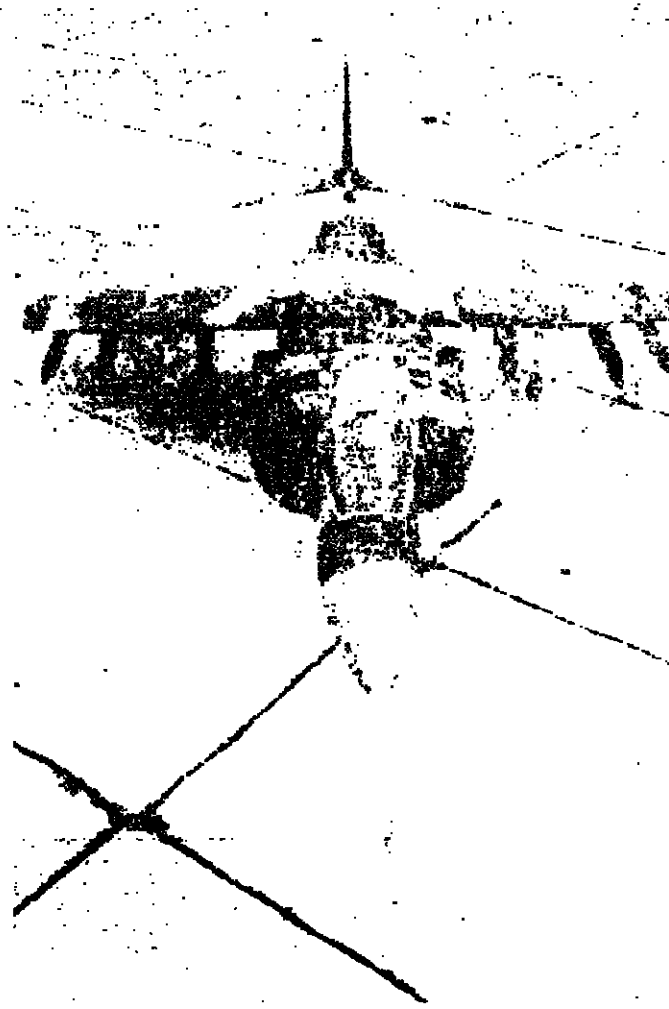
BAe wants a part in the new version of the European Airbus, the A320, as a partner with up to 30 per cent of the work, alongside the aircraft industries of France and West Germany. But the British Government has made it clear to the plane makers that research and development cash will have to come from their own resources although it is possible that there will be help in meeting interest charges on loans, until money from sales of the proposed 150-seater airliner start to come in during the late 1980s.

All over the world pieces for the aircraft of the future are being shunted to and fro in what is, in effect, an emergent international aerospace industry. Airbus Industrie has a fleet of monstrous Guppy aircraft, with specially built bulbous fuselages, which does nothing but ferry parts for A300 and A310 airliners from fabrication shops in England, France, West Germany, Holland and Belgium to Toulouse for assembly.

Boeing has parts for its airliners produced in Japan and speaks highly of the workmanship. Shorts, of Belfast, makes airframe components for both Boeing and Lockheed, shipping them to the west coast of America. McDonnell Douglas has contracted sections of its DC-9 and DC-10 airliners to be made as sub-assemblies in Japan, Australia and the Chinese Republic.

McDonnell Douglas has signed an agreement with the Dutch company Fokker to research and develop a new 150-seater airliner, the MD1100, and it is quite possible that the Japanese may come in on this deal as a third partner. SAAB of Sweden, and Fairchild of the United States are cutting metal on a joint airliner of smaller size.

International aerospace



The first Harrier Mark II rolled out at the McDonnell Douglas works at St Louis, Missouri, is symbolic of the gathering tide of internationalism in aerospace. The nose and wing are made in America and the rear and tail by British Aerospace in England. Rolls-Royce produces the engine, with a quarter of the parts being made in America.

partnerships are not confined to airframes, but cover also the increasingly technical and expensive jet engine sector. Rolls-Royce, still winning from the pain of financing its RB211 engine family, has gone into equal partnership with the Japanese on its next generation jet, the RJ500, and this project could become a threesome with the addition of one of the American giants, General Electric or Pratt and Whitney.

The project received what on hopes is only a temporary setback when it was announced on Friday that the market launch has had to be put back because there are no aircraft ready to use it yet.

But the RJ500 is only one of several collaborative engine deals now under way.

General Electric is deeply involved with the French engine company Snecma in a successful partnership to

produce the CFM56 powerplant. This is being bought by airlines to replace the engines in aircraft fitted with noisy and thirsty jets of an earlier generation.

Britain is about to take a further big step along this widening road towards internationalism in aerospace with a joint partnership with McDonnell Douglas in Missouri on a trainer for the American forces and for third countries — a possible total requirement of about 2,000 aircraft.

The companies' joint submission to the American Government is based on the BAe Hawk trainer powered by the Anglo-French Adour engine. But there are five other groups in the running and one of the competing entries is the Dassault (French) — Dornier (West German) Alpha Jet, with Lockheed as an American partner.

Arthur Reed

How the taxman could give small businesses a boost

The prospect of a company being allowed to buy its own shares does not sound exciting. The effect is not readily envisaged: if a company were allowed to purchase all its own shares, would it not disappear in a proverbial puff of smoke?

In fact, the issue is important, offering the possibility of more flexible corporate vehicles for small business owners. Proposed new law — the Companies (No 2) Bill — is at present before Parliament, and new tax implications are set out in a Revenue consultative document, with a view to changes in the Finance Bill 1982.

It was established in 1887 that a limited company cannot buy its own shares — to do so would amount to an unauthorized reduction of capital, weakening capacity to pay debts. The most substantial exception is preference shares, redeemable out of profits otherwise available for

dividend; or out of proceeds of fresh issues of shares made for purposes of providing cash for redemption. The effect is that capital is not "reduced" but replaced by new share capital, or profits transferred to an undistributable reserve — "the capital redemption reserve fund".

In a Green Paper published last year, the following advantages of introducing this principle were identified:

□ Buying its own shares might enable a company to take out a dissident shareholder.

□ It might facilitate retention of family control.

□ The estate of a deceased shareholder in an unquoted company might more readily find a buyer.

□ It might encourage employee share schemes.

□ It might help to market shares by enabling companies to give subscribers the option to resell shares to them.

□ It would permit companies to purchase shares for use in stock option plans.

□ If redeemable shares stand at a discount, a company could repurchase at that discount in advance of a future redemption date.

□ Unit trusts, which need a separate entity to buy and sell units, could be replaced by open-ended investment companies.

□ It provides a company having surplus cash with means of returning it to shareholders — a "partial liquidation".

□ It could permit a company to trade in shares, but this would be rigging — an obvious abuse.

Some of these advantages apply to quoted shares, some to unquoted companies and some to both. Also, there is a distinction in the Companies Bill between using profits as redemption monies and using capital. But the difficult issue is what should be the tax treatment of such transactions.

When a company purchases its own shares it may be making a "distribution" to shareholders, classifiable as income. The company would pay advance corporation tax and the distribution would be treated as income with a tax credit attached in the hands of receiving shareholders.

This rule applies when any asset is bought from a shareholder using profits, even though the price paid is "market" value.

But, when shares change hands as between shareholders, no depletion of company profits occurs and any gain made by a seller, (the difference between what he paid for the share and what he gets on sale) is subject to capital gains tax.

Since income tax rises to 75 per cent, and capital gains are limited to 30 per cent, the question arises which system will apply to purchase by a company of its own shares. If it is the 75 per cent system, the new flexibility flowing from the change in company law is bound to be countered by the tax deterrent.

The Revenue is persuaded that it will be difficult to define areas for special treatment, but suggests that there are four situations where a reduction to 30 per cent could help businesses to manage affairs more efficiently:

● Where there is no ready market in a family company's shares and potential investors could be reluctant to accept risk of being locked in;

● The greater flexibility could make it easier for a business owner to secure equity investment, because he would not be surrendering permanent equity;

● It might help management of businesses, if dissident

shareholders could be bought out;

● On the death of a family shareholder, other members of the family may not be able to afford his shares, and the shares may need to be sold to pay death duties.

These problems arise where the shares in a company are held by only a few shareholders; where they have no other market; and where the need is to finance a shareholder placed in a difficult position rather than simply to return surplus profits to him.

There is a further complication in that the distinction between classes which should be subjected to income tax and special classes which should be granted capital gains tax treatment seems to clash with company law where different criteria are adopted as to what is and what is not a distribution of profit.

That may, however, be a small price to pay in order to make private limited companies into more flexible and useful tools for small businesses. At the present time many traders and farmers are deterred from using limited companies because of the overwhelming tax disadvantages — double capital gains tax; corporation tax plus ACT; inability to have access to funds locked into the company.

It seems wrong that the advantages of a company (particularly limited liability) should be so destroyed and it may be that the capacity of companies to purchase their own shares would represent a first step to a more general change.

Oliver Stanley

Business Diary Profile: Derrick Worthington, pyrotechnician

Thursday night next week will be Guy Fawkes' 375th bonfire night. For Derrick Worthington it will be his seventh and second respectively as managing director of Standard Fireworks Limited and president of the British Pyrotechnists' Association.

Fawkes was, and Worthington is, a Yorkshireman, although the conspirator came from York in the predominantly rural East Riding, while the fireworks maker is from Huddersfield in the more industrial West Riding.

This, to some in the West Riding — Worthington among them — may explain the chuckle-headed persistence that led Fawkes, in the face of warnings that government spies were on to him, to proceed with his plans to blow up the Commons.

Fawkes' failure, or abandonment of common prudence, led to his arrest late on the night of November 4 (not November 5), 1605. His subsequent quietus, at Westminster in the following January, took the form not of incineration — or not in the first instance, anyway — but of hanging, drawing and quartering.

Something rather nasty in the commercial sense awaited Worthington and the British Firework industry at Westminster five years ago.

At that time about 685 adults and children were being injured on or about Guy Fawkes' Night — many, if not most as a consequence of the throwing of fireworks. In 1962 the figure in England and Wales alone was nearly 3,000.

By 1976 Government agents were salting the firework throwers through the firework makers. The president of the then Firework Makers' Guild, and the industry's chief negotiator, was Derrick Worthington.

Under Worthington, the firework makers took the West, rather than the East, Riding approach. The result was not the hanging, drawing and

quartering of a small, but long-established industry, but a deal under which the makers continue to prosper and the numbers of injured were down last year to 555, the lowest on record.

Fireworks are now on sale in the shops for only three weeks before November 5 (instead of about six); the age at which children may buy them has been raised from 13 to 16; and the more dangerous fireworks have been made less so or discontinued.

Thanks as much to the far-sightedness of Worthington and the industry as to the fanaticism of Fawkes, by the small hours of November 6 about 100 million fireworks, with a retail value of about £24m, will have banged, whooshed and popped.

If in conspiratorial terms Fawkes must be accounted something of a damp squib, what in business terms is the BPA president?

The question seemed to tickle Worthington no end and, having silently mulled through the Roman Candles and Chrysanthemum Fountains which Standard makes, he plumped for "The Roulette".

This, the Standard managing director says, is a sophisticated Catherine Wheel, which has a miscellaneous performance, ending upon a glorious whistle.

That, I should say, is not at all a bad stab. For Worthington, like his other — but West Riding — competitor, J.B. Priestley, is very much a performer under the gruff exterior of the stage Yorkshireman.

He — Worthington, that is, not Priestley — has a taste for clip-on ties.

Like the founder of Standard, Worthington was not to the banger born. The business was started in Huddersfield before the First World War by a local draper, James Greenhalgh. Worthington began work



Derrick Worthington, president of the British Pyrotechnists' Association: remember, remember the fifth of November.

in the same town before the last war as a 15-year-old office boy in a textile firm.

After war service in the Navy, in which he escaped injury from the considerable pyrotechnics with which the service was then concerned, he qualified as a company secretary and

was in engineering when in 1952 he joined Standard.

Like other members of the BPA, Standard is not a big firm, but it is labour-intensive. The 550 people are employed all year round and, Worthington says, there is no call to sack any of them.

On the morning of November 6 those not busy with a fresh lot of Chrysanthemum Fountains for next Guy Fawkes' Night will be at work concocting the Fiestas, the Morning Sunrises and St Andrews's Crosses, the Norwiche, the Norwegian, the Dutch, the Danes and the Icelanders will celebrate New Year's Eve.

In talking about foreigners, Worthington did not once whinge about imports. What he did say was that foreigners, like the British "in the last decade, are demanding more of the sophisticated, multi-functional fireworks".

Sales, he says, are going well this year, although the same could not be said for the third of Standard's business, which is "non-entertainment, the things paid for largely by government, such as the thunder-flashes with which the Army scarifies its recruits."

I asked him if that meant that the officers had to leap about shouting "Bang!", but Worthington said that they were probably using up stock, something which clearly offended both the West Riding and the pyrotechnist in him.

"The usual thing will probably happen", he growled. "The day will come when they cry wolf and want it as yesterday."

By November 6 this year, I wonder, will Worthington already have seen the day that revellers find at Westminster another fanatic to keep Fawkes company in effigy atop his pyre? Could Guy at last have found his Doll?

Ross Davies

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26th October, 1981

Abridged Particulars

These abridged particulars are not an invitation to purchase shares. Application has been made to the Council of The Stock Exchange for the share capital of Cable and Wireless Public Limited Company, issued and to be issued, to be admitted to the Official List.

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Ordinary Shares of 50p each

Issued or to be issued
and fully paid or credited
as fully paid
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The application list for the Ordinary Shares now offered for sale will open at 10.00 a.m. on Friday, 30th October, 1981 and may be closed at any time thereafter.

The Offer for Sale (on the terms of which alone application will be considered), with Application Form, is published today, Monday, 26th October, 1981, in the Financial Times and The Daily Telegraph.

Copies of the Offer for Sale, with Application Form, are available from today and may be obtained from:

Kleinwort, Benson Limited;
20 Fenchurch Street,
London EC3P 3DB.

Cable and Wireless Public Limited Company,
Mercury House,
Theobalds Road,
London WC1X 8RX.

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN.

James Capel & Co.,
Winchester House,
100 Old Broad Street,
London EC2N 1BQ.

Rowe & Pitman,
City-Gate House,
39/45 Finsbury Square,
London EC2A 1JA.

and from **National Westminster Bank Limited**, New Issues Department, P.O. Box No. 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD, from all principal branches of National Westminster Bank Limited in England, Scotland, Wales, the Channel Islands and the Isle of Man and from the main branches of **Ulster Bank Limited** in Northern Ireland.

Cable and Wireless

ACCOUNT DAYS: Dealings Begin, Today. Dealings End, Nov 6. § Contango Day, Nov 9. Settlement Day, Nov 16
 § Forward bargains are permitted on two previous days
 (Current market price multiplied by the number of shares in issue for the stock quoted)

[illegible]

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Commercial property by Baron Phillips

Does automation threaten city-based offices?

Despite the substantial office accommodation planned for London's South Bank, along with the considerable number of blocks which fringe the City, either under construction or built, awaiting tenants, is the era of the City-based building over?

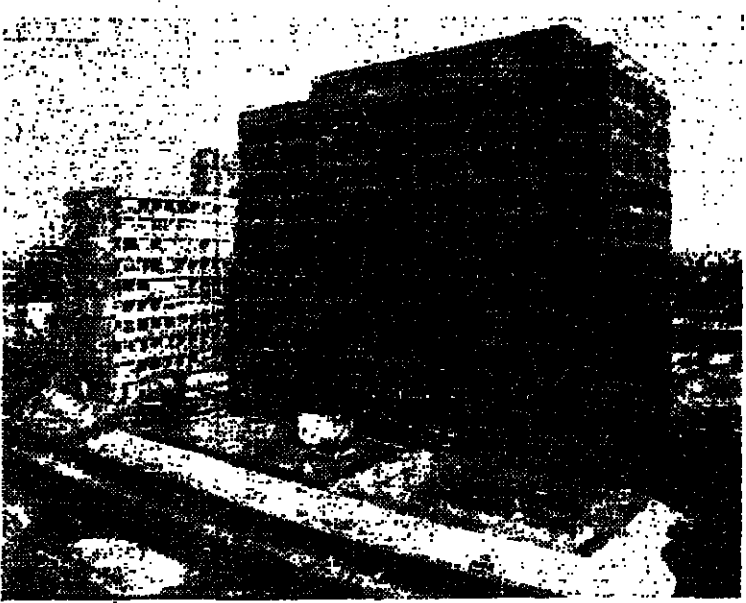
The rapid advance in technology, especially in communications, is leading some observers of the property industry to think that the intense demand for commercial space in the heart of our cities is coming to an end. This is hardly a school of thought to which the country's leading agents and surveyors would subscribe. Quite the opposite, in fact. As I pointed out last week Richard Ellis believes demand will help push rents in the City up to £45 a sq ft by the middle of the decade.

It does seem that very little long-term thought is being given to the future of commercial property in light of recent technological advances, not to mention future ones, and how this may affect space and location requirements over the coming few years. Talk to the new technology buffs and they are able to paint a picture which eradicates the need for the conventional office, yet we have seen little evidence from our property experts that they are considering the implications of this science.

A study is being started which may go some way to shed real light on what the electronic age of the future may hold in store for the property industry.

Last week Urwick Nexos, the office automation consultants, announced it was launching a study into the impact of information technology on office structure and design. Will the speculative office blocks crowding the skylines of our cities adapt efficiently and economically to the demands of new technology, and how should space in the automated office be organized are two of the principal questions being asked.

The consultants are joining forces with architects and



Becket House, Lambeth Palace Road, London SE1, had been assigned to accountants Ernst & Whinney. The 146,000 sq ft building was a casualty of Government cut backs in the Civil Service and had become surplus to the needs of the Department of the Environment. Hillier Parker May & Rowden acted for the DoE and Gooch & Wagstaff represented Ernst & Whinney.

Duffy Eley Giffone Worthington, the space planning experts, to examine the effects of the more widespread introduction of new technology on our office blocks.

The problem with an investigation of this kind, it seems, is that it is based on existing buildings and present environmental and sociological demands. What it is not trying to do is to look a little way into the future and ask far more relevant questions.

For example, will the advance and development of information technology mean the end of property building as we know it? Will not the long-term application of this technology bring into doubt the assumption that we will continue to need the amount of city-based accommodation which we have and which it now thought necessary for the future?

Although no one is trying to paint a "Brave New World" picture of offices in the future,

people and jobs over the past 10 years to cope with a further exodus in the coming decade or two. But can the capital's creaking suburban rail service and its congested road network cope with the ever increasing demands placed on them?

Clearly, there must be a shift away from urban to more rural centres, where less time and hassle is spent on getting to and from work. And where more time can be spent on enjoying the leisure hours.

Ultimately, with electronic aids, most people could work from their homes, but sociologically there are grave doubts about the wisdom of that. It would result in little or no active interaction between people. It does seem, however, that the future location and structure of office development will be radically rethought during the remaining years of this century, with all the implications for investment criteria.

Alfred Irish Banks has paid £111m to the Gallaher Group for three prime office schemes in Dublin, in what is thought to be the largest single transaction in the City. Jones Land Wootton acted for Gallaher, which is building contractor and developer.

Covering a total of 77,000 sq ft, the three properties are in Clare Street, Stephens Green and College Street, and have total rental income of around £165,000 a year. The buildings are occupied by the Commissioner for Public Works, the Electricity Supply Board and the Department of Posts and Telegraphs.

Around £335,000 has been paid for a 150,000 sq ft freehold factory and foundry on land covering 10 acres in the town of West Midlands. Elliott Son & Boyton acted for the vendors.

After four years of negotiations Townsend Thoreson Properties has started development of a site at 110 St Martin's Lane, near Trafalgar Square. The £35m scheme will produce 44,000 sq ft offices designed by the Rolfe Judd partnership.

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